

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: 066357	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Walker Hollow Unit	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.				9. WELL NAME and NUMBER: Walker Hollow Unit #82	
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269			PHONE NUMBER: (281) 517-7800	10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1821' FSL & 817' FWL AT PROPOSED PRODUCING ZONE: 1821' FSL & 817' FWL				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 7S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 30.2 miles from Vernal, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) +/- 1821'		16. NUMBER OF ACRES IN LEASE: 3,227.20		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) ±1290'		19. PROPOSED DEPTH: ±5320'		20. BOND DESCRIPTION: Bond # 110030 St of Ut 587800 for Walker Hollow	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5259' GL		22. APPROXIMATE DATE WORK WILL START: 2003		23. ESTIMATED DURATION: 14 DAYS	

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	8 5/8 J-55 24 ppf	400	Class G + additives 235 sxs
7 7/8	5 1/2 J-55 15.5 ppf	5,320	Class G + additives 385 sxs

25.

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:


- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
Will acquire prior to drilling | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN

<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |
|--|--|

NAME (PLEASE PRINT) Sharon WardTITLE Regulatory Administrator

SIGNATURE



DATE

10-14-02

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34759

**Federal Approval of this
Action is Necessary**

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 02-20-03By: [Signature]

RECEIVED

OCT 21 2002

DIVISION OF
OIL, GAS AND MINING

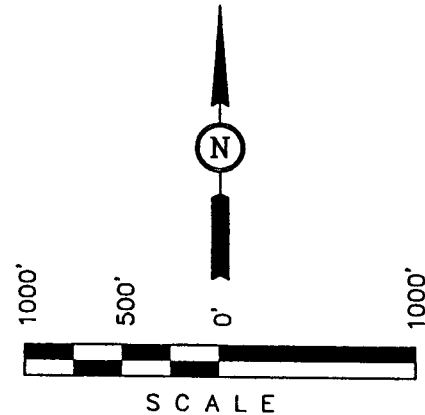
T7S, R23E, S.L.B.&M.

CITATION OIL & GAS CORP.

Well location, WHU #82, located as shown in the NW 1/4 SW 1/4 of Section 11, T7S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT AN INTERSECTION LOCATED IN THE NE 1/4 OF SECTION 12, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SW QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5608 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

EXHIBIT B

Revised: 2-11-02 K.G.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 1319
STATE OF UTAH

UTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-15-01	DATE DRAWN: 8-24-01
PARTY B.B. W.L. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CITATION OIL & GAS CORP.	

LEGEND:

L = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°13'18"
LONGITUDE = 109°18'00"

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

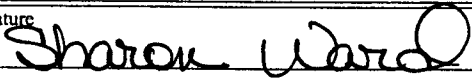
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 066357
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Citation Oil & GasCorp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address P O Box 690688 Houston, Texas 77269		8. Lease Name and Well No. Walker Hollow Unit #82
3b. Phone No. (include area code) 281-517-7309		9. API Well No. 43-047-34759
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 817' FWL & 1821' FSL At proposed prod. zone 817' FWL & 1821' FSL		10. Field and Pool, or Exploratory Walker Hollow Green River
14. Distance in miles and direction from nearest town or post office* 30.2 miles from Vernal, UT		11. Sec., T., R., M., or Blk. and Survey or Area Section 11, T7N, R23E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1821'	16. No. of Acres in lease 3,227.20	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. +1290'	19. Proposed Depth +5320'	20. BLM/BIA Bond No. on file 57-91-01-MT 0630
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5259' GL	22. Approximate date work will start* 2003	23. Estimated duration 14 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Sharon Ward	Date 10-14-02
Title Regulatory Administrator		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

OCT 21 2002

DIVISION OF
OIL GAS AND MINING

006

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/21/2002

API NO. ASSIGNED: 43-047-34759

WELL NAME: WALKER HOLLOW U 82

OPERATOR: CITATION OIL & GAS CORP (N0265)

CONTACT: SHARON WARD

PHONE NUMBER: 281-517-7800

PROPOSED LOCATION:

NWSW 11 070S 230E

SURFACE: 1821 FSL 0817 FWL

BOTTOM: 1821 FSL 0817 FWL

UINTAH

WALKER HOLLOW (700)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTSL 066357

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

LATITUDE: 40.22178

LONGITUDE: 109.30004

RECEIVED AND/OR REVIEWED:

☒ Plat☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MT0630)☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13☒ Water Permit
(No. 53417)☒ RDCC Review (Y/N)
(Date:)☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit WALKER HOLLOW (GR) ☒☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal approval
2- Spacing stip

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

003

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to re-enter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER: <input checked="" type="checkbox"/> <input type="checkbox"/>	5. Lease Designation and Serial Number: UTSL-066357
2. Name of Operator Citation Oil & Gas Corp.	6. If Indian, Allottee or Tribe Name:
3. Address and Telephone Number: P O Box 690688, Houston, Texas 77269 (281) 517-7800	7. Unit Agreement Name: Walker Hollow Unit
4. Location of Well Footages: 817' FWL & 1821' FSL QQ, Sec., T., R., M.: NW SW Section 11, T 7S, R 23E	8. Well Name and Number: Walker Hollow Unit #82
	9. API Well Number:
	10. Field and Pool, or Wildcat: Walker Hollow Green River
	County: Uintah State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandonment <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Multiple Completion <input checked="" type="checkbox"/> Other Change in the reserve pit size </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recompletion <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div>	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Abandonment* <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Other _____ </div> <div style="width: 48%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div>
Approximate date work will start Upon approval	Date of work completion _____ Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
- Attached are the new cross sections for the reserve pit for the Walker Hollow #82 well. Please add this cross section to the application you are processing for Citation.**

RECEIVED
FEB 13 2003
DIV. OF OIL, GAS & MINING

13. Name & Signature: Sharon Ward Title: Regulatory Administrator Date: 2/10/03

(This space for State use only)

CITATION OIL & GAS CORP.
TYPICAL CROSS SECTIONS FOR

FIGURE #2

WHU #82

SECTION 11, T7S, R23E, S.L.B.&M.

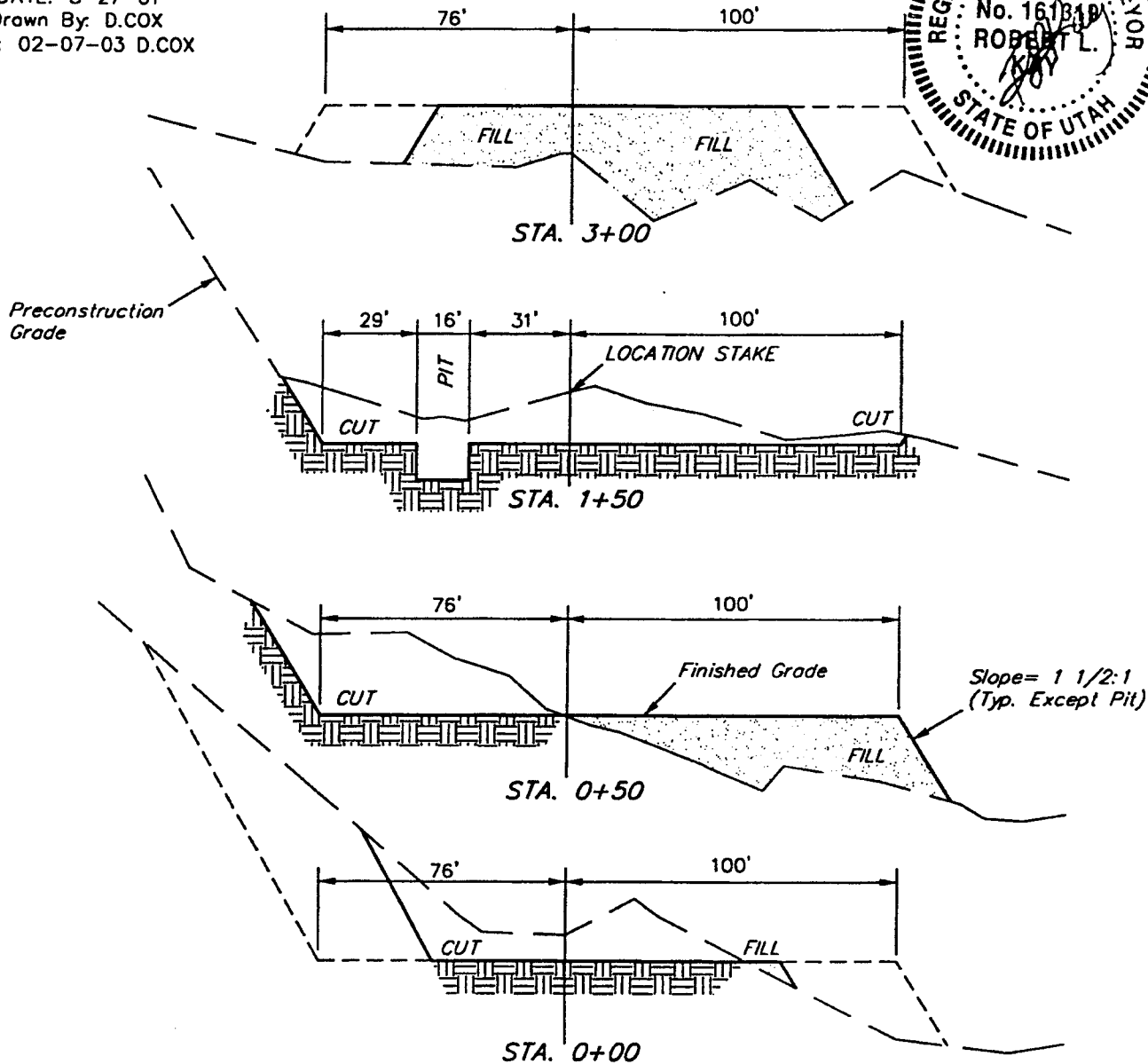
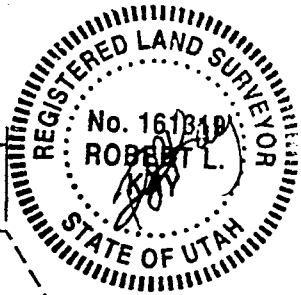
1821' FSL 817' FWL

1" = 20'
 X-Section
 Scale
 1" = 50'

DATE: 8-27-01

Drawn By: D.COX

Rev: 02-07-03 D.COX



APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 980 Cu. Yds.

Remaining Location = 7,500 Cu. Yds.

TOTAL CUT = 8,480 CU.YDS.

FILL = 6,510 CU.YDS.

EXCESS MATERIAL AFTER

5% COMPACTION = 1,630 Cu. Yds.

Topsoil & Pit Backfill = 1,130 Cu. Yds.
 (1/2 Pit Vol.)

EXCESS MATERIAL After = 500 Cu. Yds.

Reserve Pit is Backfilled & (Excess Material
 Topsoil is Re-distributed Required For Road
 & CMP Construction)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

<date>

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Walker Hollow Unit, Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2002 within the Walker Hollow Unit, Uintah County, Utah.

Api Number	Well	Location
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(Proposed PZ Green River)

43-047-34757	Walker Hollow Unit #80 Sec. 3 T7S R23E 0460 FSL 0460 FEL
43-047-34758	Walker Hollow Unit #81 Sec. 11 T7S R23E 1483 FNL 1874 FWL
43-047-34759	Walker Hollow Unit #82 Sec. 11 T7S R23E 1821 FSL 0817 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Walker Hollow Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:<date>-<date>-<date>



**CITATION OIL AND GAS CORP.
WALKER HOLLOW UNIT
WHU #82**

WELL OBJECTIVE

The Walker Hollow Unit #82 is planned as a vertical test well drilled to the Green River Formation at an estimated total depth of 5,320'. It is to be classified as a development well.

The 12-¹/₄" surface hole will be drilled to $\pm 400'$, and 8-⁵/₈", 24# surface casing will be cemented to surface in accordance with State of Utah/ BLM requirements. Production casing will be 5-¹/₂", 15.5#, J-55 and will be set at $\pm 5,280'$. Some lost circulation problems may be encountered throughout the drilling of this well.

The surface hole to $\pm 400'$ is intended to be air-drilled using fresh water as needed. The production hole from $\pm 400'$ to $\pm 2500'$ will be drilled with fresh water using viscous sweeps to clean the hole. From $\pm 2500'$ to $\pm 5,320'$ (TD), the hole will be drilled with a gel-polymer fluid of 8.7-9.1 ppg to control fluid loss and provide adequate cleaning.

I. GENERAL INFORMATION

WELL NAME: WALKER HOLLOW UNIT #82

AREA: WALKER HOLLOW UNIT

SURFACE LOCATION: 817'FWL & 1821'FSL
SEC. 11, T7S, R23E
UINTAH CO., UT

BOTTOM HOLE LOCATION: 817'FWL & 1821'FSL
SEC. 3, T7S, R23E
UINTAH CO., UT

OPERATOR: CITATION OIL & GAS CORP.

ENGINEER: JOHN LONG
OFFICE: (307) 682-4853
CELL: (307) 689-3406
HOME: (307) 682-5482

GEOLOGIST: TERRY MCCANCE
OFFICE: (281) 517-7384
CELL: (281) 851-4053
HOME: (936) 273-2221

FORMATION TOPS: SEE GEOLOGICAL PROGNOSIS

CLASSIFICATION: DEVELOPMENTAL VERTICAL

RIG: PENDING

ELEVATION (GR): 5259'-ungraded, 5252.4'-graded.

ESTIMATED DEPTH: 5,320' MD

ESTIMATED DRILLING TIME: 14 DAYS

OBJECTIVE: PRIMARY: GREEN RIVER (OIL)



Geological Prognosis

Field: Walker Hollow Unit
Operator: Citation Oil & Gas
Well Name: Walker Hollow Unit #82
Objective(s): Green River
Geologist: Terry McCance
281-517-7384 (W)
936-273-2221 (H)
281-851-4053 (C)
Location: Uintah County, Utah
Surface: 1821' FSL & 817' FWL of Section 11, T-7-S, R-23-E.

Classification: Development-Oil
Total Depth: 5320'
Elevation: GL 5259'
KB 5272' est.
Backup: Jerry Greer
281-517-7394(W)
281-353-3704 (H)

<u>Estimated Geological Tops:</u>	<u>This Well</u>	<u>Type Well</u>
<u>Correlation Tops:</u>	<u>WHU #82</u>	<u>WHU #57</u>
	<u>MD/SS</u>	<u>MD/SS</u>
Green River	2772' (+2500)	2997' (+2413)
G.R. Du 5	4587' (+685)	4745' (+665)
G.R. Du 6	4812' (+460)	4965' (+445)
G.R. Du 7	4927' (+345)	5074' (+336)
G.R. Du 8	5107' (+165)	5267' (+143)
G.R. Du 8c	5207' (+65)	5363' (+47)
G.R. Du 8d	5267' (+5)	5425' (-15)
G.R. DL1	5302' (-30)	5460' (-50)
G.R. K	5332' (-60)	5493' (-83)
Total Depth	5320' (-48)	

Note: TD for the WHU #82 is approximately at the top of the K sequence sandstone. Due to potential water production from the K sequence, it is necessary to set casing above the DL1A. This will require drilling out the DL1A and completing it open-hole. High porosity K sandstone is expected at the top of the K sequence, which may prevent a good cement job if communicated due to high water potential in the K sandstone. TD will be picked on location.

Objective Zone:

Du 5b 4642' (+611)
Du 5c 4708' (+545)
Du 8c 5207' (+65)
Du 8d 5267' (+5)
DL1 5302' (-30)

- See Attached -

Expected Production: 50 BOPD 40 MCFGPD 50 BWPD

Expected Formation Pressure (objective zones): Anticipate 0.433psi/ft gradient, some zones may be higher pressure due to injection.

Wellsite Geologist Depth: BSC to TD (Two Man Unit).

DST's: None.

Logging Program:

1. Cali - SFL-DIL - GR from BSC - TD.
2. CNL-LDT - GR from BSC - TD.
3. Microlog - BSC - TD.
4. RFT - Approx. 20 Pressure Samples + 1 Fluid Recovery

Approval: Steve K. Ann **Date:** 10/2/02

WALKER HOLLOW UNIT NO. 82
APD INFORMATION
Sec. 11, T7S, R23E
Uintah County, Utah

1. The geologic name of the surface formation: Quaternary Alluvium.
2. The estimated tops of important geological markers:

Green River	2772'
G.R. Du 5	4587'
G.R. Du 6	4812'
G.R. Du 7	4927'
G.R. Du 8	5107'
G.R. Du 8c	5207'
G.R. Du 8d	5267'
G.R. DL1A	5302'
G.R. K	5332'
Total Depth	± 5320'

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered:

Fresh Water	Surface to 4587'.
Oil and Gas	4587' to TD.

4. Proposed casing program:

<u>String</u>	<u>Depth Interval</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>
Surface	0 - 400'	8- ⁵ / ₈ "	24# / J-55	New
Production	0 - ±5280'	5- ¹ / ₂ "	15.5# / J-55	New

5. Minimum specifications for pressure control equipment:

- a. Wellhead Equipment – Threaded type 3000 psi WP.
- b. Blow out preventers – Refer to attached drawing and list of equipment for description of BOP stack and choke manifold. Exhibit "F"
- c. BOP Control Unit – Unit will be hydraulically operated and have at least 3 control stations.
- d. Testing – When installed on the 8-⁵/₈" surface casing, the BOP stack will be tested to a low pressure (200-300 psi) and to 2100 psi. Casing rams will be tested in like manner when installed prior to running production casing. An operational test of

the blow-out preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.

6. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>
0'-Surface Casing Seat	Fresh Water Spud Mud-Air drill if possible
Surface Casing Seat- 2550'	GYP/Water. No Fluid loss control. 8.3-8.7ppg.
2550'-TD	GEL/CHEM. Fluid loss 8-12CC's. 8.7-9.1ppg

7. Auxiliary Control Equipment:

- a. Kelly Cocks: Upper and lower installed on kelly.
- b. Safety Valve: Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times, in open position for stabbing into drill pipe when kelly is not in the string.
- c. Trip tank will be used (if available) to insure the hole is full and takes proper amount of fluid on trips will be used during drilling of production hole.

8. Testing, Logging, and Completion Programs:

- a. Logging: Caliper-SFL-DIL-GR from Base Surface Casing (BSC) – TD.
CNL-LDT-GR from BSC – TD.
Microlog-BSC-TD.
RFT-Approx. 20 Pressure Samples + 1 Fluid Recovery.

- b. Completion – Formation: Green River “D”

Anticipated Completion Procedure: Perforate selectively as directed by COGC Reservoir. Treat perforations with 15% acid. Sand-frac perforations possible as dictated by inflow performance.

- c. Production method: Rod pump through 2-⁷/₈” tubing.

9. No hydrogen sulfide hazards are anticipated. This well may be close to the water flood and may require higher mud weight to control pressure from injection.
10. Starting date of drilling operations will depend on rig availability. Subject to rig availability, it is anticipated that drilling and completion operations will occur in 2003.

II. OPERATIONAL DRILLING PROGRAM

Construct the location and reserve pit per pad layout plat in the APD. Set 14" conductor pipe at $\pm 15'$ with a 6' diameter culvert to accommodate the drilling of the surface hole.

A. 12- $\frac{1}{4}$ " Hole: 8- $\frac{5}{8}$ " Casing (surface to 400')

Drill solids: 1-2%

Solids control: Reserve/blooiie pit

Fluid system: Air drill/fresh water.

- Notify the BLM and other proper authorities 24 hours prior to spud.
- Air drill a 12- $\frac{1}{4}$ " hole to 400'. Foam up if necessary.
- At TD, pump a high viscosity pill & circulate the hole clean. TOH.
- Run 8- $\frac{5}{8}$ ", 24 ppf J-55 ST&C casing to 400' and cement according to the attached program.
- WOC a minimum of 4 hrs. Cut-off 8- $\frac{5}{8}$ " casing and install casing head. Cut casing off so that the top of the 8- $\frac{5}{8}$ " casing head is at or slightly below ground level.
- Install BOPE, manifold, and control lines. Pressure test the casing head, blind rams, pipe rams, manifold, and 8- $\frac{5}{8}$ " casing to 2100 psi. Pressure test annular preventer to 1500 psi.
- Note: Notify proper authorities at least 24 hours prior to testing the BOPE.
- WOC a minimum of 12 hours prior to drilling the float equipment.

*Note: Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

B. 7- $\frac{7}{8}$ " Hole: 400' - $\pm 2,500'$.

Mud weight: 8.3-8.7 ppg

Drill solids: 1-2%

Solids control: Reserve pit

Fluid system: Fresh water w/ appropriate viscosity and flocculent additives.

- Drill out of the 8- $\frac{5}{8}$ " casing with fresh water.
- Use viscous sweeps whenever necessary to ensure adequate hole cleaning while drilling with water.
- Keep the drilled solids to a minimum by using a selective flocculent.
- Use sweep treatments of drilling detergent to provide lubricity and minimize bit balling.
- Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

C. 7-7/8" Hole: ± 2,500'-± 5,280'.

Mud weight: 8.7-9.1 ppg

Drill solids: 4-6%

Solids control: Adjustable linear shaker, Centrifuge, Mud Cleaner.

Fluid system: Mud up with a polymer-gel system.

- Mud up with a polymer-gel system. Use caustic soda to achieve a 9.0-9.5 pH.
- Additional fluid loss control will be required in this interval. Use fluid loss additives as necessary to maintain the API fluid loss at 8-10 cc's/30 min or less.
- Sloughing may become problematic in this interval. If this occurs, reduce the API fluid loss further.
- Run all available solids control equipment to maintain the mud weight and keep solids as low as possible.
- Lost circulation will be problematic when mudded up, especially between 3000' and 3500'. Pre-treating with 15-25% fibrous LCM is recommended prior to drilling at 3000'.
- The anticipated mud weight of this well is 8.7-9.1 ppg, but allow the hole to dictate the mud weight required. Penetrated intervals may be affected by the local waterflood and a higher mud weight may be required.
- For lost circulation, use pill treatments of 25-35% fibrous LCM. To fight lost circulation, pull up four stands and while moving pipe, spot a 15-20 ppb pill of varied size LCM. Allow the pill to sit and heal the zone prior to drilling ahead.

D. Proposed Casing Design and Cement:

- Surface Casing: Surface-400', 8-5/8", 24ppf, J-55, ST&C.
Cement: Lead system: 140 sx. 35:65 Poz: Class G + 4% Bentonite Gel + 3% CaCl₂ + 0.25 pps Celloflake. Tail system: 95 sx. Class G + 2% CaCl₂ + .25 pps Celloflake.
- Production Casing: Surface -5,280', 5-1/2", 15.5ppf, J-55, LT&C.
Cement: Lead system: 215 sx. Class G + 5% salt + 12% Bentonite Gel + 1% Chemical Extender + 0.5% Fluid loss additive + 0.2% Anti-foamer + 0.25 pps Celloflake. Tail system: 170 sx. 50:50 Poz: Class G + 10% salt + 2% Bentonite Gel + 0.2% Anti-foamer.

E. Anticipated Bit Program:

1. 12-1/4" IADC Bit #111 -Surface hole to 400'.
2. 7-7/8" IADC Bit #116, 400'-3,100'.
3. 7-7/8" IADC Bit #517, 3,100'-4,900'.
4. 7-7/8" IADC Bit #527, 4,900'-5,320'.

SURFACE USE PLAN: WHU #82

Citation Oil & Gas Corporation-Walker Hollow Unit

Well No. 82 – 817' FWL & 1821' FSL of Section 11, T7S, R23E.

Uintah County, Utah

1. EXISTING ROADS – Area Map, Exhibit “A”.
 - A. Exhibit “B” shows the proposed well site as staked.
 - B. From Vernal, go south-easterly on Highway 45 approximately 21 miles, then easterly approximately 2.6 miles to Red Wash, then approximately 2.2 miles north-easterly to the Walker Hollow field, then on oil field roads approximately 5 miles to proposed location.
 - C. As shown on Exhibit “C”, the new access road to be built:

Approximately 3/10 mile of new road to Well No. 82
 - D. The existing roads within a one-mile radius are shown on Exhibit “D”.
 - E. No improvements of existing roads will be required as the roads are being maintained in the oil field.
2. PLANNED ACCESS ROADS – Exhibit “C” shows the new access road to be constructed.
 - A. The road will be a minimum of 16' wide.
 - B. The maximum grade will be less than 10 percent.
 - C. No turnouts are anticipated.
 - D. Drainage structure will be installed where necessary.
 - E. At least one 42” culvert will be required.
 - F. The road will be graveled where necessary.
 - G. There will be no gates, cattle-guards, or fence cuts.
 - H. Proposed access road has been staked.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS –

- A. Water wells – none.
- B. Abandoned wells – RWU #185 and RWU #191 as shown on Exhibit “D”.
- C. Temporarily Abandoned Wells – none.
- D. Disposal Wells – WHU #26.
- E. Drilling Wells – none.
- F. Producing Wells – See Exhibit “D”
- G. Shut-in Wells – B #8, WHU #37, WHU #30, as shown on Exhibit “D”.
- H. Injection Wells – See Exhibit “D”.
- I. Monitoring or Observation Wells for Other Resources – none.

4. LOCATION OF EXISTING AND / OR PROPOSED FACILITIES –

- A. Existing facilities are greater than a one-mile radius from the proposed location.

- 1. Satellite Tank Battery – SE/SW Section 1, T7S, R23E.
Tank Battery #2 – SW/SE Section 12, T7S, R23E.
- 2. Production facilities are located at the tank battery sites.
- 3. Oil and Gas gathering lines, injection lines, and disposal lines where needed are laid along the existing or proposed roads to existing lines or tank battery sites.
- 4. The oil and gas gathering line will be laid as shown in Exhibit “C”. This route may serve future use for an injection or disposal line as needed.

WHU #81: The flowline route will parallel the access road for approximately 600’ then continue towards the south west about another 200’ to tie into the existing flowline system servicing WHU #39.

- B. Citation Oil & Gas Corporation will make adjustments to enlarge existing tank batteries servicing the proposed location to accommodate the additional production if necessary.

- C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

5. LOCATION AND TYPE OF WATER SUPPLY -

- A. Water will be hauled over existing roads or piped alongside existing and proposed roads from the water flood plant or water flood distribution system. The water flood plant is located about 1.5 miles east of the proposed location.
- B. No new roads will be needed for the water supply.

6. SOURCE OF CONSTRUCTION MATERIALS - Contractor will furnish gravel and haul from a source outside the area.

7. WASTE DISPOSAL –

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. (In the event of a dry hole, pumpable liquid on the surface of the pit will be injected into the well to shorten the pit drying time.)
- C. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from site.
- D. Sewage from trailer houses will be collected in a sewage tank. The tank will be cleaned and the contents disposed of at an approved location as determined by the sewage service provider. Portable toilet facilities will also be provided for the rig crews. Waste removal and disposal will be handled by a professional sewage service and disposal provider.
- E. Trash, waste paper, and garbage will be contained in trash baskets covered with small mesh wire to prevent wind scattering. Trash will be hauled from location and disposed of in approved landfill facilities.
- F. When the rig moves out, all trash and debris left on location will be removed and disposed of appropriately.

8. ANCILLARY FACILITIES – No camps, airstrips, et cetera, will be constructed.

9. WELLSITE LAYOUT –

- A. Exhibit “E” (Scale 1” – 50’) shows proposed wellsite layout.

- B. This Exhibit indicates proposed location of mud tanks, reserve pit, trash baskets, pipe racks, other major rig components, living facilities, stockpile, and turn-in from access road.
- C. Mud pits in the active circulating system will be steel pits, and the reserve pit is proposed to be unlined unless subsurface conditions encountered during pit construction indicate that lining is needed for lateral containment of fluids.

10. RESTORATION OF SURFACE –

- A. Upon completion of the operation and removal of any trash or debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. The drill-site surface will be re-shaped to combat erosion and stockpiled topsoil will be distributed to extent available. Prior to leaving the drill-site upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
- B. Citation Oil & Gas Corp. will rehabilitate the road as per BLM requirements.
- C. Re-vegetation of the drill pad will comply with SMA-BLM specifications.
- D. Any oil on pits will be removed and taken to the well battery for recovery.
- E. Rehabilitation operations will start the Spring after completion and finished by the following Fall to BLM specifications.

11. OTHER INFORMATION –

- A. The proposed well pad is located on clay soil. There is very little vegetation. There are sparse cedar trees.
- B. There is no surface use other than grazing. All wells are on Federal surface administered by the BLM.
- C. There are no dwellings, archaeological, historical, or cultural sites apparent in the area.
- D. There are no ponds, streams, or water wells in the area.
- E. There are no buildings of any kind in the area.

12. OPERATOR' REPRESENTATIVE – Citation Oil & Gas Corp.'s field representative for contact regarding compliance with the Surface Use Plan is:

Citation Oil & Gas Corporation
Attn: John Long – Petroleum Engineer
1016 E. Lincoln
Gillette, WY 82716

Office Phone: 307-682-4853
Cell Phone: 307-689-3406
Home Phone: 307-682-5482

Sharon Ward - Regulatory Administrator
Office Phone: 281-517-7309
E-Mail sward@cogc.com

13. CERTIFICATION – I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Citation Oil & Gas Corp. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date: 10-14-02

Signed: Sharon Ward
Sharon Ward Regulatory Administrator
Citation Oil & Gas Corp.

CULTURAL RESOURCE INVENTORY OF CITATION OIL AND GAS
CORPORATION'S 3 WELL LOCATIONS IN WALKER HOLLOW
OIL FIELD, Uintah County, Utah

By:

Melissa A. Elkins
Keith R. Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

Citation Oil and Gas Corporation
1016 East Lincoln St.
Gillette, Wyoming 82716

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

August 22, 2001

MOAC Report No. 01-127

United States Department of Interior (FLPMA)
Permit No. 01-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-01-MQ-0553b,s

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) on August 21 and 22, 2001 for well locations WHU #80, WHU #81, and WHU #82 in the Walker Hollow Oil Field. The project area is located in and around Walker Hollow, to the north of Red Wash, east of Vernal, Uintah County, Utah. The survey was implemented at the request of Mr. Mark Weber, Citation Oil and Gas Corporation, Vernal, Utah. The project includes a total of 36.5 acres, 34.5 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 2 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on August 21 and 22, 2001 by Keith Montgomery, under the auspices of U.S.D.I. (FLPMA) Permit No. 01-UT-60122, State of Utah Antiquities Permit (Survey) No. U-01-MQ-0553b,s issued to Montgomery Archaeological Consultants, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Keith Montgomery at the BLM Vernal Field Office on August 21, 2001. This consultation indicated that no archaeological sites are documented within the project area. To the south of the project area, Nickens and Associates conducted a 10 percent stratified random sampling of the 128,000-acre Red Wash Cultural Resources Study Tract in Uintah County, Utah in 1979 (Nickens 1980). For this study, 320 40-acre parcels were surveyed, resulting in the documentation of 26 archaeological sites. One historic site, the Kennedy Stage Stop (42Un799), of the Uintah Railway System, was recorded. The remaining 25 sites are prehistoric, and include temporary camps, lithic scatters, a lithic and ceramic scatter, and a quarry (42Un795-820).

PROJECT AREA

Citation Oil and Gas Corporation's proposed well locations WHU #80, WHU #81, and WHU #82 with associated access roads, and pipeline corridors are located in the Walker Hollow Oil Field, Uintah County, Utah (Figure 1). Well location WHU #80 is located in T 7S, R 23E, Section 3, 460 ft FSL and 460 ft FEL. Well location WHU #81 is located in T 7S, R 23E, Section 11, 1483 ft FNL and 1874 ft FWL. Well location WHU #82 is located in T 7S R 23E, Section 11, 1821 ft FSL and 817 ft FWL, with an associated access road extending into Section 10.

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Red Wash occurs within the Central Badlands District of the Uintah Basin, which is an area of broad erosional benches with extensive badland rims along the drainages. The heavily eroded benches and mesas are capped with sand and silt which erode downslope forming areas of sand dunes, sand sheets, and colluvial clays. The elevation of the project area is 5380 to 5440 feet a.s.l.

Specifically, the inventory area is situated in and around Walker Hollow, to the north of Red Wash and Deadman Bench. Geologically, the area includes recent alluvial deposits, older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone. This formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Vegetation in the project area includes juniper, greasewood, shadscale, rabbitbrush, mormon tea, snakeweed, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

SURVEY METHODOLOGY

An intensive pedestrian survey was completed for this project which is considered 100% coverage. The survey was performed by Keith Montgomery, Principal Investigator of MOAC. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects. The access road and pipeline corridors were surveyed to a width of 30 m (100 ft). Well location WHU #80 included an access road/pipeline corridor 150 ft in length. The access road/pipeline corridor for well location WHU #81 occurred within the 10 acre parcel. Well location WHU #82 included an pipeline corridor 300 ft in length, and an access road 900 ft in length. Ground visibility was considered good. A total of 34.5 acres was inventoried for cultural resources on public land administered by the BLM, Vernal Field Office, and a total of 2 acres on land administered by the State of Utah (SITLA).

ENTRY 95003412
Book 597 PAGE 681-687 \$27.00
12-JUN-95 02:57
RANDY SIMMONS
RECORDER, UTAH COUNTY, UTAH
CITATION OIL AND GAS CORP
3223 WILLOW PLACE SOUTH #250 HOUSTON TX
REC BY: SYLENE ACCUTTOROP, DEPUTY

UT9501-003

Form 4-218
(August 1968)

ENTRY 95003412

Book 597 Page 681

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Utah Land & Survey Office

Contract No. 1-4L(21)---

Noncompetitive

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF

FEBRUARY 25, 1920, AS AMENDED

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the 1st day of OCT 1 1949, by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Gloria Bamberger, 163 South Main Street, Salt Lake City, Utah,

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent, to with any express and specific provisions herein, which are made a part hereof.

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in or under the following-described tracts of land situated in the

T. 7 S., R. 23 E., S.L.M., Utah

Uintah County

Sec. 3: SE1/4

Sec. 4: SE1/4

Sec. 11: All

Sec. 12: All

T. 7 S., R. 24 E., S.L.M., Utah

Sec. 7: All

Sec. 8: NE1/4

X

X

X

containing 2542.12 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistent with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre, annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to the drilling of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or such a bond furnished by an approved operator of the

by certify and a copy of the official

Susan Brummen May 10, 1995

(1)

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty, through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor; but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements or such sales.

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(Aug. 1948)

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal, oil, or measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost. Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 90 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line.

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(o) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

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(Aug. 1948)

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

16-40708-3

cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 431, 432, and 433, Title 18, United States Code, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

55333

THE UNITED STATES OF AMERICA.

By [Signature]
Manager, District Land Office

Margaret Marsh
1550 Second Ave. N.E.
Salt Lake City, Utah

Witness

No. 163 SOUTH MAIN ST.
SALT LAKE CITY, UTAH

Witnesses to signature of lessee.

[Signature] Lessee.

Schedule "A"

RENTALS AND ROYALTIES

ENTRY 95003412
BOOK 597 PAGE 687

Rentals—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

- (a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:
 - (1) For the first lease year, a rental of 50 cents per acre.
 - (2) For the second and third lease years, no rental.
 - (3) For the fourth and fifth years, 25 cents per acre.
 - (4) For the sixth and each succeeding year, 50 cents per acre.
- (b) On leases wholly or partly within the geologic structure of a producing oil or gas field:
 - (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
 - (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production—To pay the lessor 12½ per cent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

CITATION OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

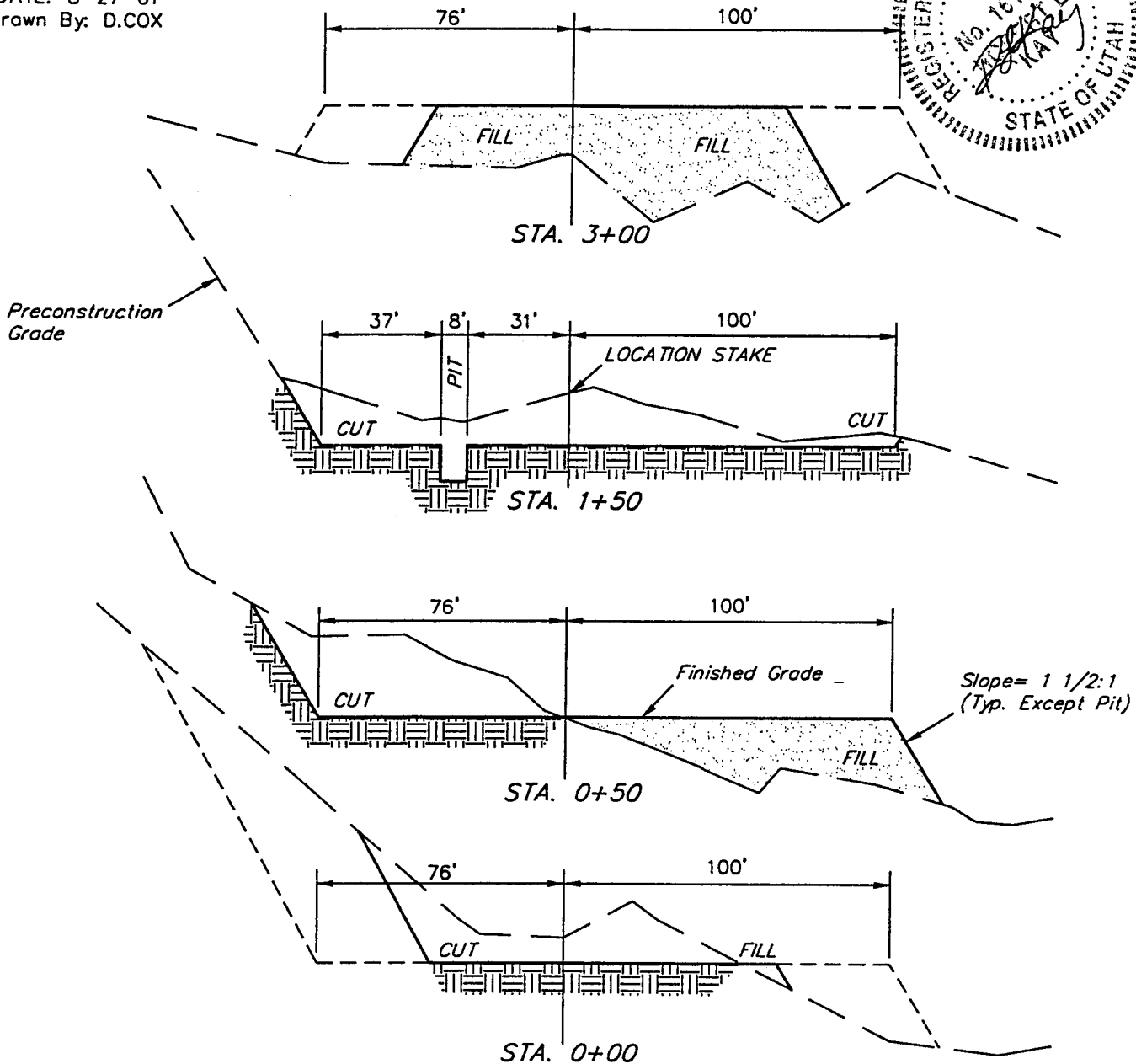
WHU #82

SECTION 11, T7S, R23E, S.L.B.&M.

1821' FSL 817' FWL

FIGURE #2

1" = 20'
X-Section
Scale
1" = 50'
DATE: 8-27-01
Drawn By: D.COX



APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 980 Cu. Yds.

Remaining Location = 7,500 Cu. Yds.

TOTAL CUT = 8,480 CU.YDS.

FILL = 6,510 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION

= 1,630 Cu. Yds.

Topsoil & Pit Backfill
(1/2 Pit Vol.)

= 1,130 Cu. Yds.

EXCESS MATERIAL After
Reserve Pit is Backfilled &
Topsoil is Re-distributed

= 500 Cu. Yds.
(Excess Material
Required For Road
& CMP Construction)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

CITATION OIL & GAS CORP.

WHU #82

LOCATED IN UINTAH COUNTY, UTAH
SECTION 11, T7S, R23E, S.L.B.&M.

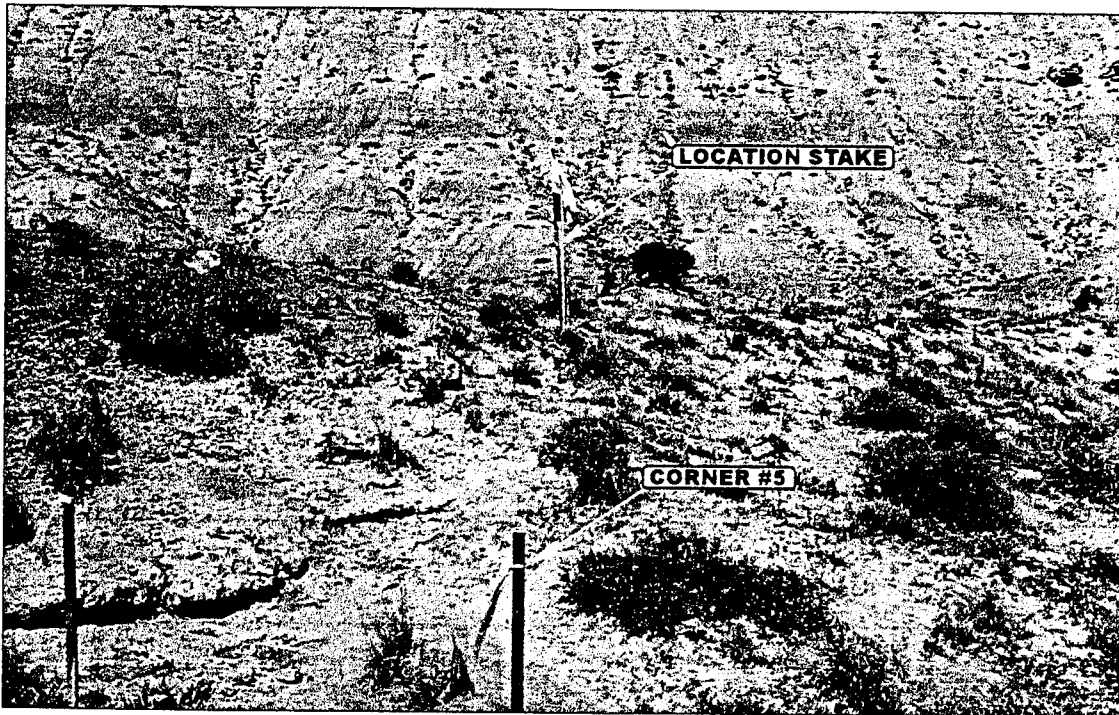


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

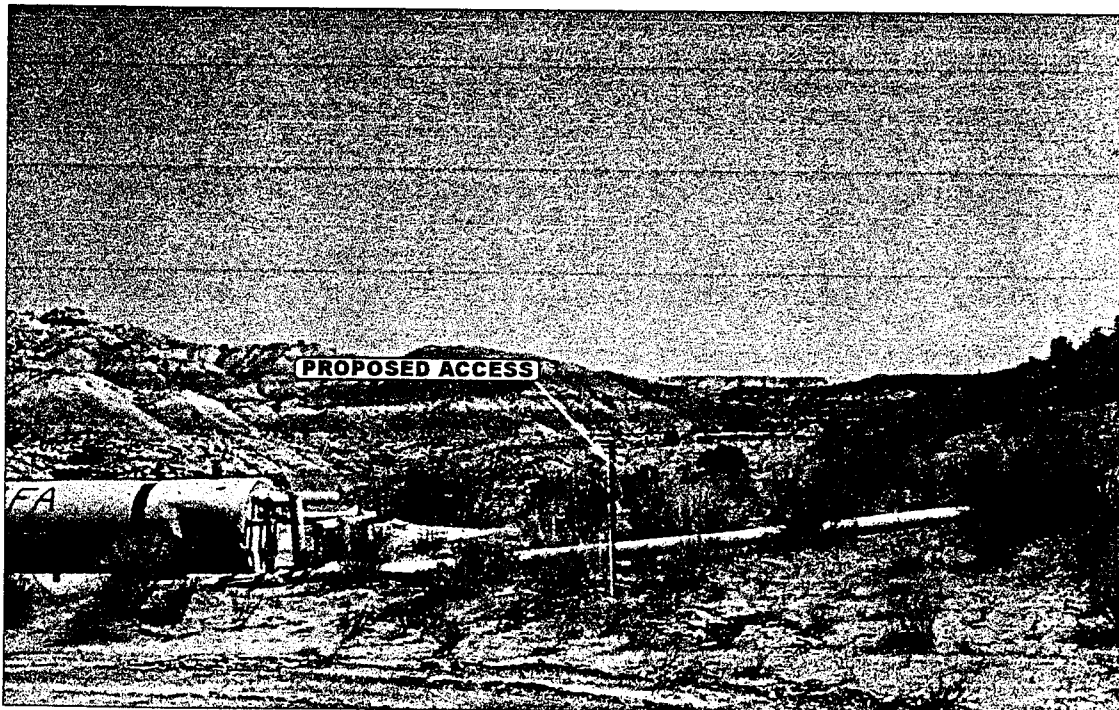


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

8 20 01
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: P.M.

REVISED: 00-00-00

TO UTAH 264

20'

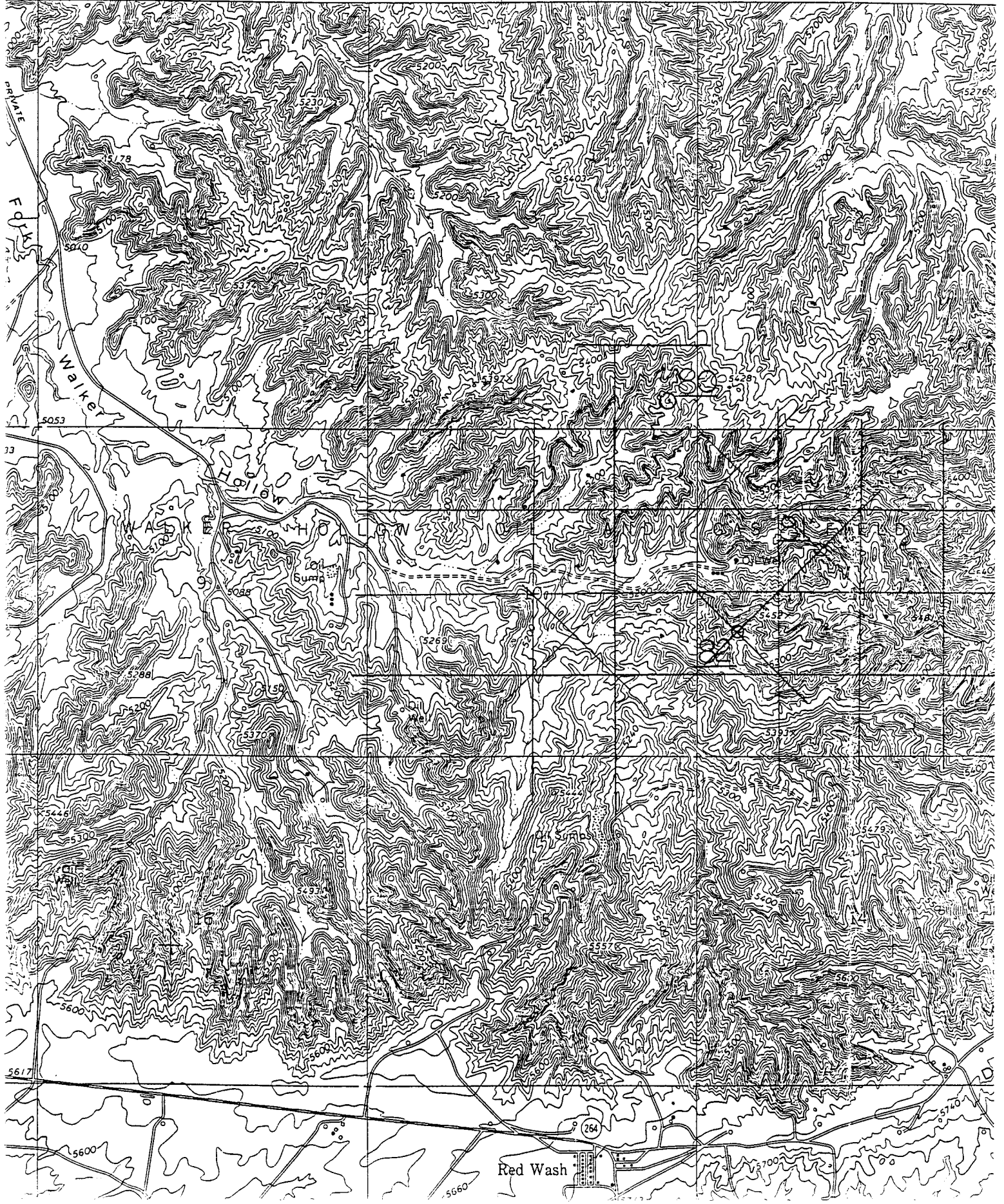
642

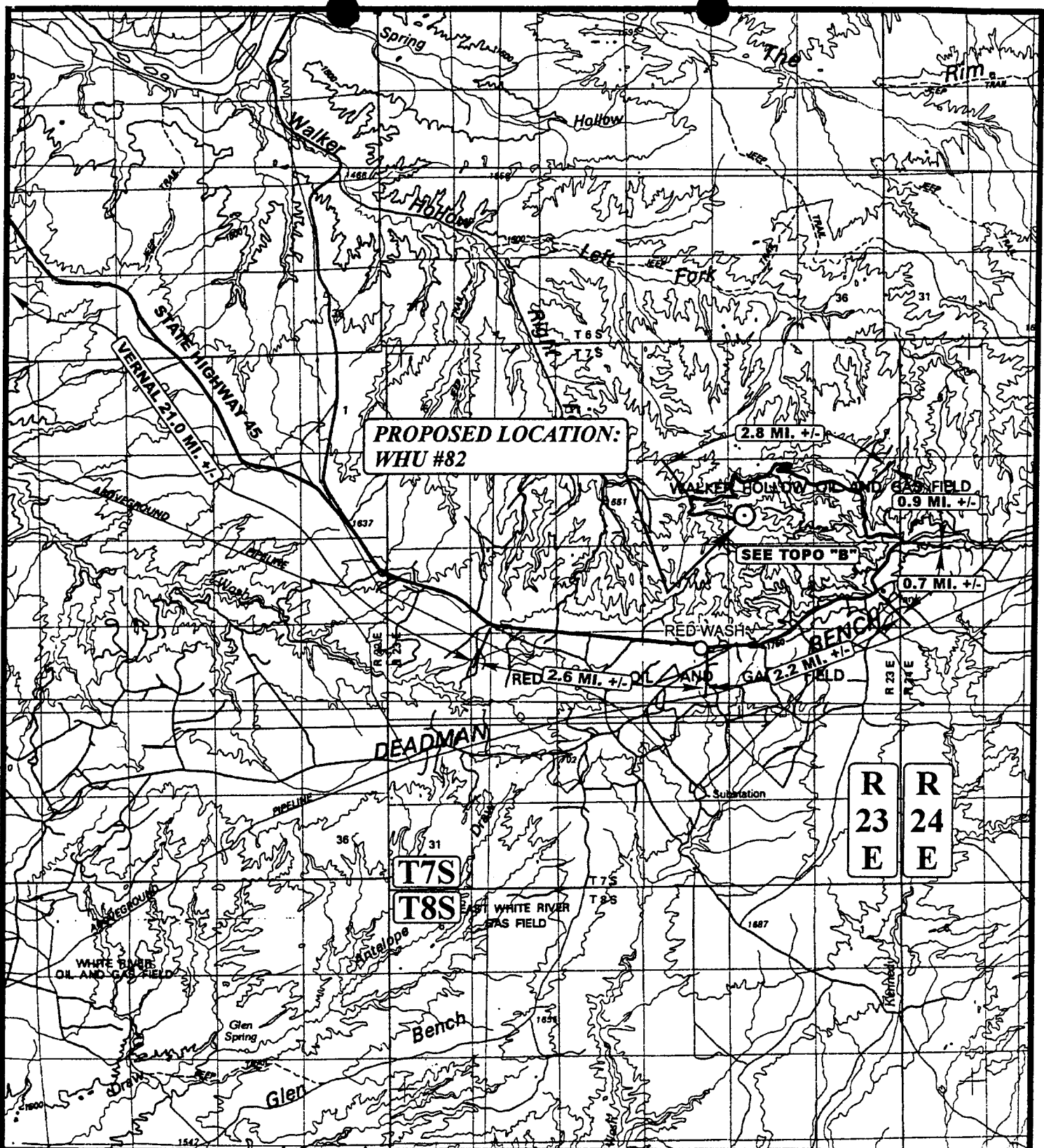
643

4164 IV SE
(JENSEN)

644

645 17'30"





LEGEND:

○ PROPOSED LOCATION



CITATION OIL & GAS CORPORATION

WHU #82

SECTION 11, T7S, R23E, S.L.B.&M.
1821' FSL 817' FWL



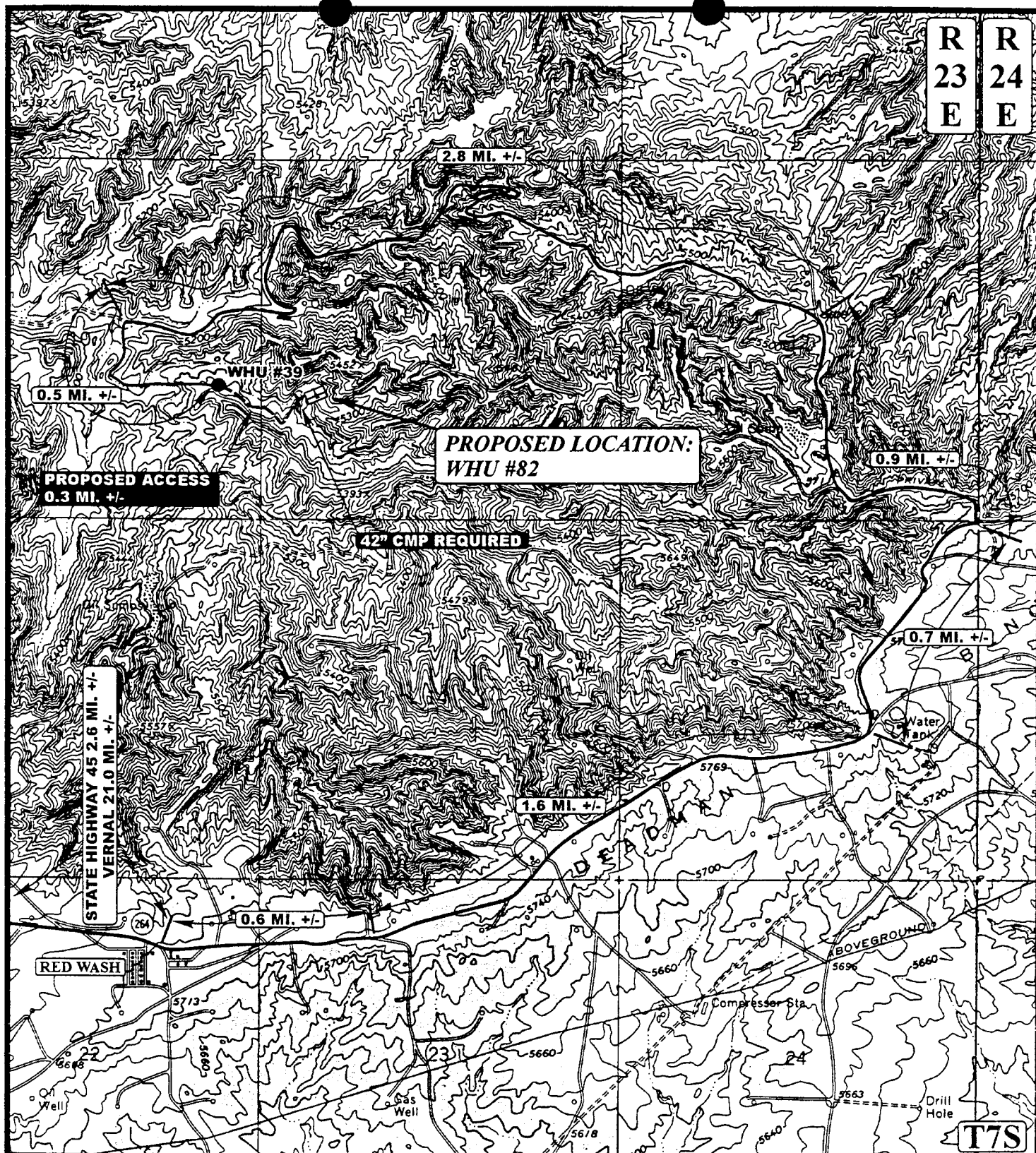
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

8 20 01
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REV: K.G. 2-11-02





LEGEND:

--- PROPOSED ACCESS ROAD
— EXISTING ROAD

CITATION OIL & GAS CORPORATION

WHU #82

SECTION 11, T7S, R23E, S.L.B.&M.
1821' FSL 817' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

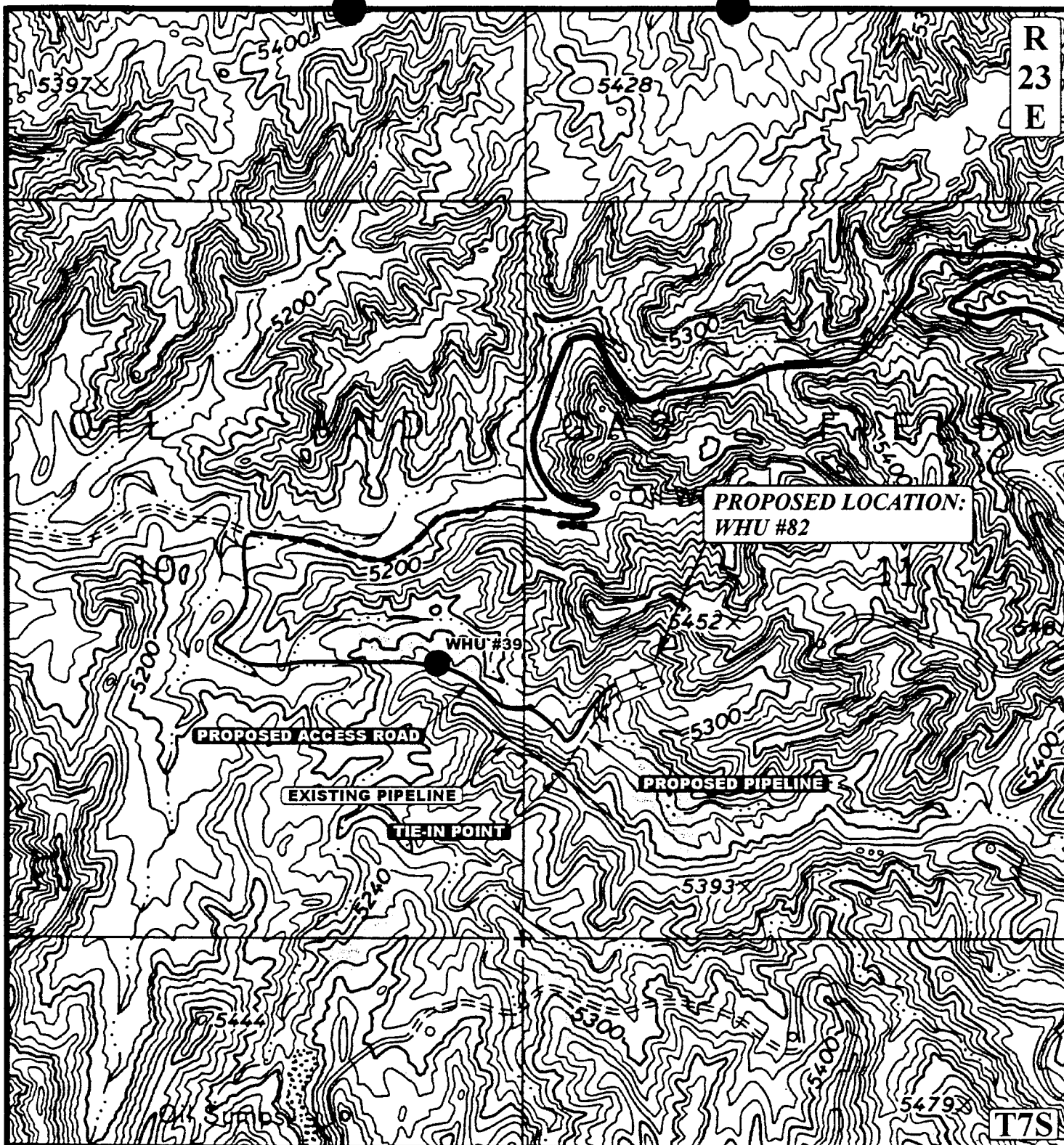


TOPOGRAPHIC
MAP

8 **2001**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 3-12-02





LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



CITATION OIL & GAS CORPORATION

WHU #82
SECTION 11, T7S, R23E, S.L.B.&M.
1821' FSL 817' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

8 **20** **01**
 MONTH DAY YEAR

SCALE: 1" = 1000' **DRAWN BY: P.M.** **REVISED: 3-12-02**



**PROPOSED LOCATION:
WHU #82**

R 23 E

T7S

N

D

EXHIBIT

SCALE: 1" = 50'
 DATE: 8-27-01
 Drawn By: D.COX
 Rev: 2-11-02 K.G.

CITATION OIL & GAS CORP.

LOCATION LAYOUT FOR

WHU #82

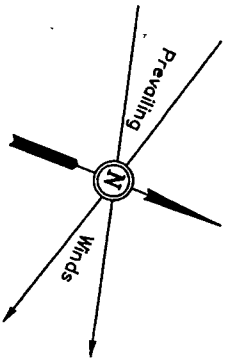
SECTION 11, T7S, R23E, S.L.B.&M.

1821' FSL 817' FWL

42" CMP
 Required

Proposed Access
 Road

CONSTRUCT
 DIVERSION
 DITCH



F-6.8'
 El. 45.6'

F-5.8'
 El. 46.6'

El. 44.6'
 F-7.8'

Sta. 3+00

NOTE:

FLARE PIT IS TO BE
 LOCATED A MINIMUM
 OF 125' FROM THE
 WELL HEAD.

PIT CAPACITY
 WITH 2' OF
 FREEBOARD
 = 300 Bbls.

RESERVE PIT
 45'x8'x8' Deep

Construct Pond
 With Spoils Stockpile
 Reserve Pit Backfill
 & Spoils Stockpile

APPROX.
 TOP OF
 CUT SLOPE

C-20.7'
 El. 73.1'

Topsoil Stockpile

El. 42.9'
 F-9.5'

Sta. 0+00

STORAGE
 TANK

FUEL

TOOLS

POWER

HOPPER

MUD SHED

PUMP

WATER

DOG HOUSE

RIG

El. 55.5'

C-3.1'

El. 50.0'

C-5.6'

(Btm. Pit)

El. 56.0'

C-3.6'

El. 56.7'

C-12.3'

(Btm. Pit)

El. 56.0'

C-3.6'

El. 56.0'

C-6.6'

El. 59.0'

C-3.3'

El. 55.7'

C-3.3'

El. 55.7'

C-3.3'

El. 55.7'

C-3.3'

El. 55.7'

C-3.3'

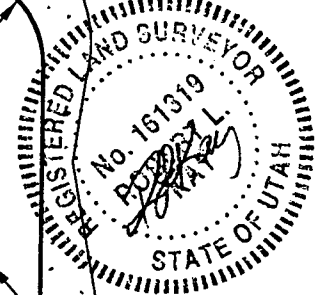
El. 55.7'

C-3.3'

El. 55.7'

C-3.3'

El. 55.7'



Sta. 1+50

El. 53.8'
 C-1.4'

Sta. 1+18

TRAILER

TOILET

APPROX.
 TOE OF
 FILL SLOPE

Existing
 Drainage

EXHIBIT E

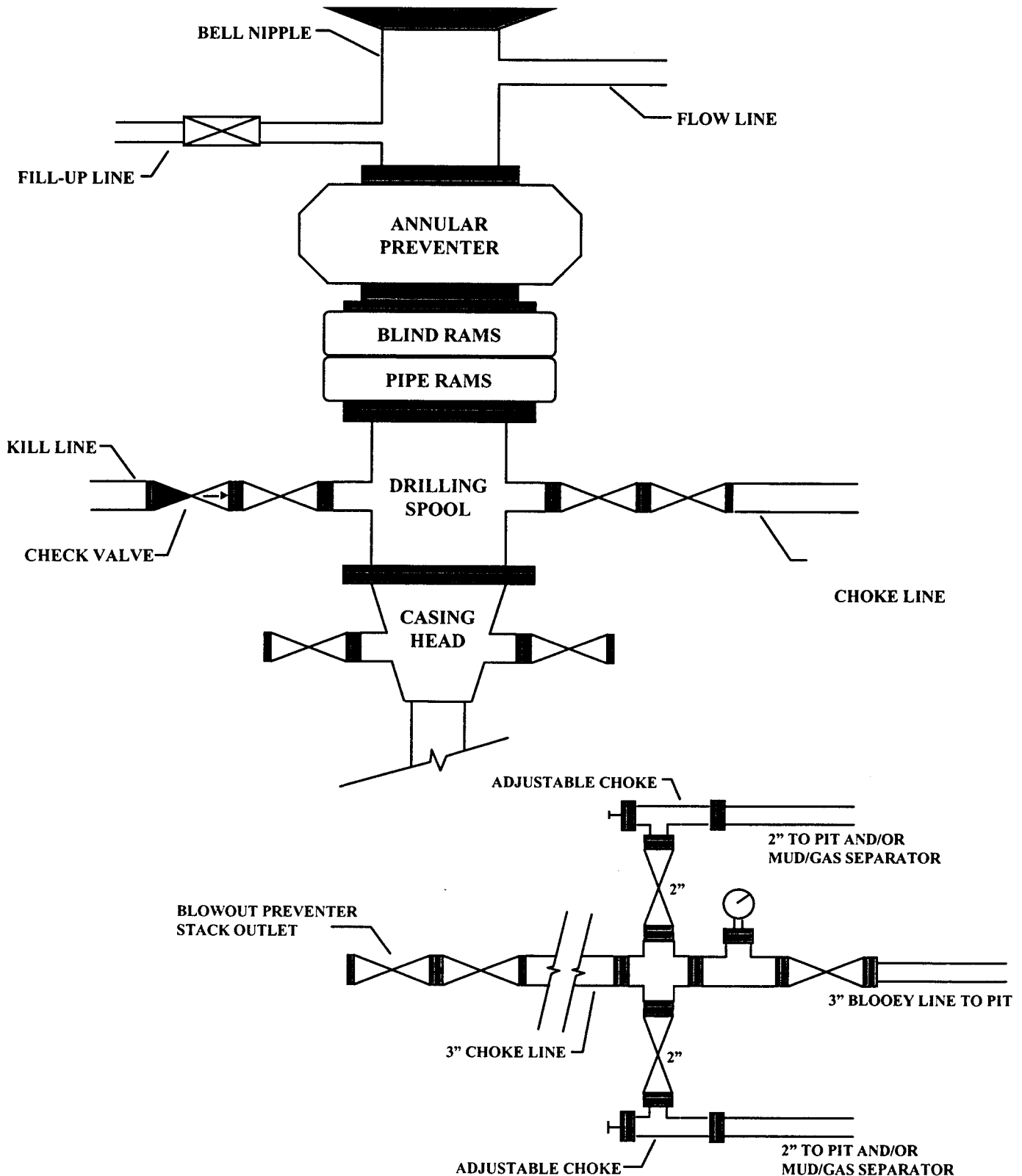
Elev. Ungraded Ground at Location Stake = 5259.0'

Elev. Graded Ground at Location Stake = 5252.4'

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EXHIBIT " F "

TYPICAL 3,000 PSI MINIMUM REQUIREMENTS BLOWOUT PREVENTER AND CHOKE MANIFOLD SCHEMATIC



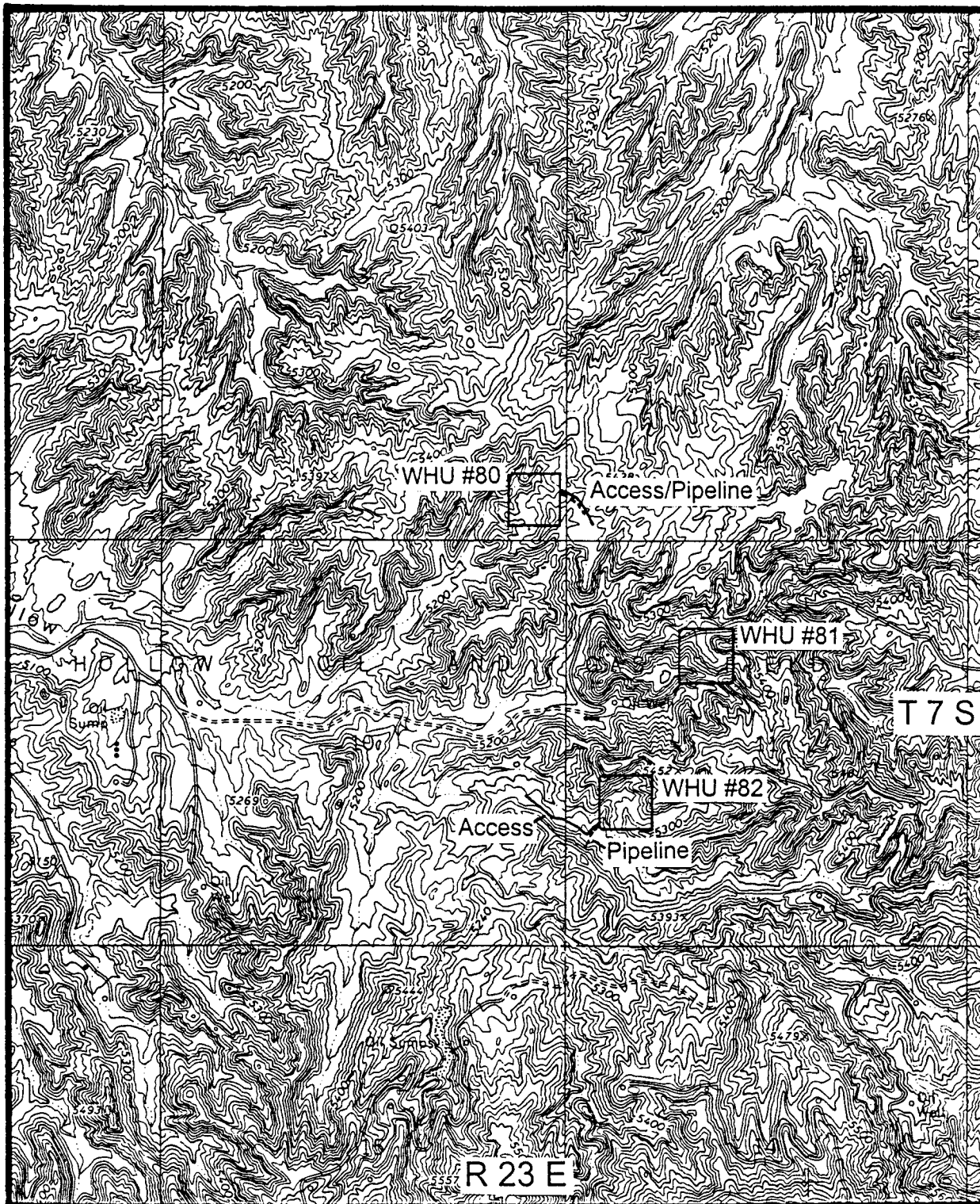


Figure 1. Citation Oil and Gas Corporation's Well Locations WHU #80, WHU #81, and WHU #82, in Walker Hollow, Uintah County, UT. USGS Red Wash, UT 7.5', 1968.

RESULTS AND RECOMMENDATIONS

The inventory of Citation Oil and Gas Corporation's well locations WHU #80, WHU #81, and WHU #82 with associated access roads and pipeline corridors, resulted in a finding of no cultural resources. Based on the finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

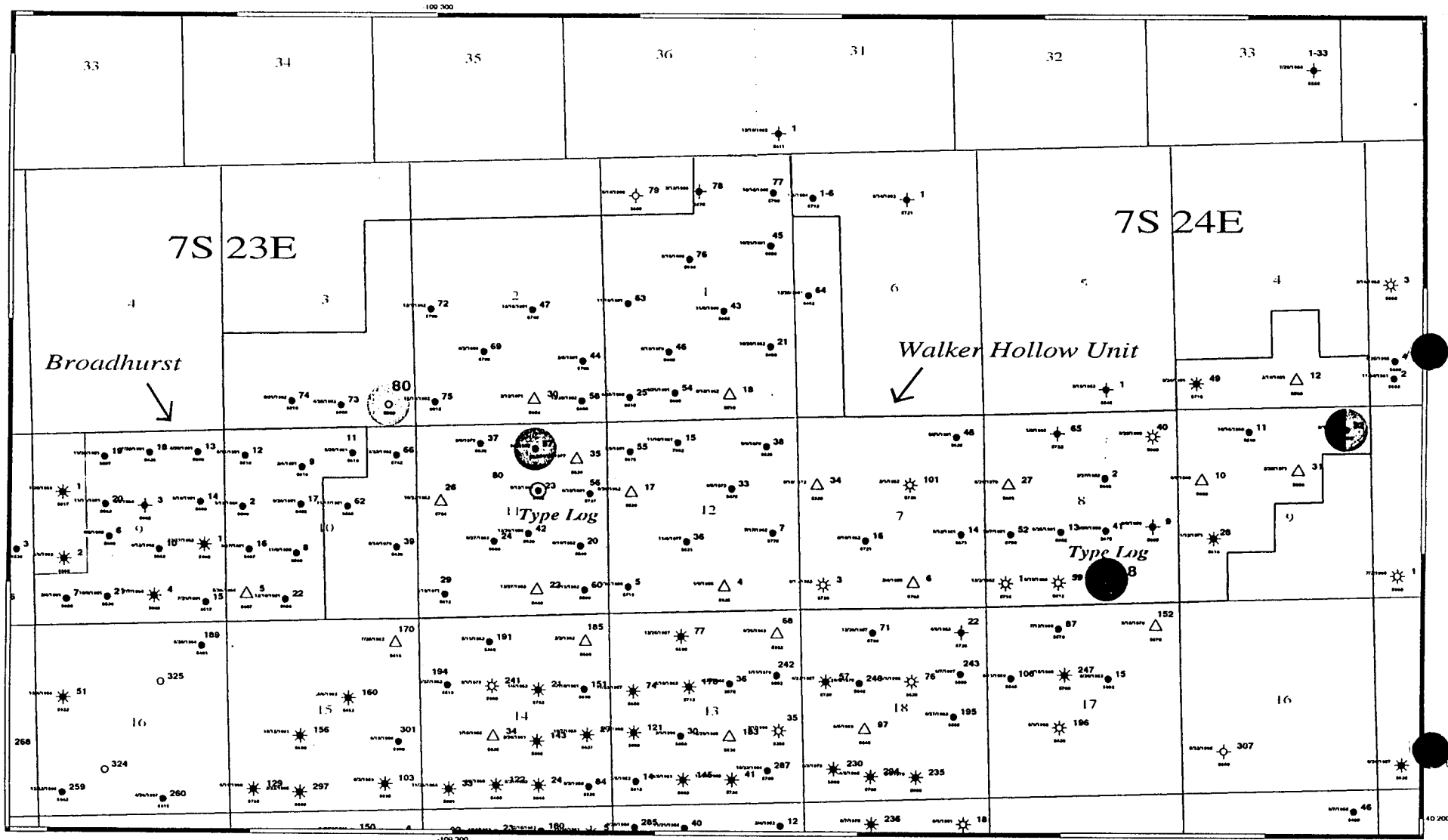
REFERENCES CITED

Nickens, P.R.

1980 Sample Inventories of Oil & Gas Fields in Eastern Utah 1978-1979. Utah Bureau of Land Management, Cultural Resource Series No. 5. Bureau of Land Management Utah State Office, Salt Lake City, Utah.

Stokes, W.L.

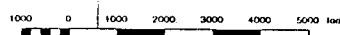
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.



Legend	
	2001 Gas Recompletions
	2001 Oil Recompletions
	2001 Drill Well



Scale 1:48000.



2001 Budget		
Citation Oil & Gas Corporation Walker Hollow Unit Uintah County, Utah		
PHM/CJAB		11/00
2001bud.gpl		



February 18, 2003

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Diana Mason

RE: Water permits for
Walker Hollow Unit #80 43-047-34757
Walker Hollow Unit #81 43-047-34758
Walker Hollow Unit #82 43-047-34759
Uintah County, Utah

Dear Ms. Mason:

Dalbo Inc. is the trucking company that will supply water for the drilling of the Walker Hollow Unit #80, 81 and 82 wells. Dalbo's water permit number is 53617 and their phone number is 435-789-0743

If you require additional information, please contact the undersigned, at 281-517-7309. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Ward".

Sharon Ward
Regulatory Administrator
Citation Oil & Gas Corp.

RECEIVED

FEB 19 2003

DIV. OF OIL, GAS & MINING

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 02/18/03 10:37 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC226
Case Type 311111: O&G LSE NONCOMP PUB LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
2,382.120

Serial Number
UTSL-- 0 066357

Serial Number: UTSL-- 0 066357

Name & Address

Int Rel % Interest

CITATION O&G CORP	8223 WILLOW PL # 250	HOUSTON TX 770705623	LESSEE	100.000000000
-------------------	----------------------	----------------------	--------	---------------

Serial Number: UTSL-- 0 066357

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
26 0070S 0230E 003	ALIQ	SW;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MGMT
26 0070S 0230E 011	ALIQ	ALL;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MGMT
26 0070S 0230E 012	ALIQ	ALL;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MGMT
26 0070S 0240E 007	ALIQ	ALL;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MGMT
26 0070S 0240E 008	ALIQ	N2;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: UTSL-- 0 066357

26 0070S 0230E 704	ALIQ	SE;	VERNAL FIELD OFFICE	UINTAH	BUREAU OF LAND MC
--------------------	------	-----	---------------------	--------	-------------------

Serial Number: UTSL-- 0 066357

Act Date	Code	Action	Action Remarks	Pending Office
11/05/1946	124	APLN RECD	#0945;	
09/30/1949	237	LEASE ISSUED		
10/01/1949	530	RLTY RATE - 12 1/2%		
10/01/1949	868	EFFECTIVE DATE		
07/25/1952	140	ASGN FILED		
07/28/1952	139	ASGN APPROVED	EFF 08/01/52;	
02/11/1953	232	LEASE COMMITTED TO UNIT	UTU63016X;WALKER HW	
02/11/1953	235	EXTENDED		
03/01/1953	650	HELD BY PROD - ACTUAL		
03/01/1953	658	MEMO OF 1ST PROD-ACTUAL	#1;	
06/12/1953	102	NOTICE SENT-PROD STATUS		
06/30/1953	899	TRF OF ORR FILED	01	
06/30/1953	899	TRF OF ORR FILED	02	
06/30/1953	899	TRF OF ORR FILED	03	
03/12/1959	253	ELIM BY CONTRAC(PARTIAL)	UTU63016X;WALKER HW	
07/10/1986	899	TRF OF ORR FILED	01	
07/10/1986	899	TRF OF ORR FILED	02	
07/10/1986	899	TRF OF ORR FILED	03	
05/01/1990	226	ELIM BY CONTRACTION	UTU63016X;WALKER HOLL	
05/01/1990	232	LEASE COMMITTED TO UNIT	UTU66837A;WALKR HW GR	
05/01/1990	660	MEMO OF 1ST PROD-ALLOC	UTU66837A;	
05/01/1990	700	LEASE SEGREGATED	UTU67060;	
06/20/1990	600	RECORDS NOTED		
10/01/1992	621	RLTY RED-STRIPPER WELL	10.9%; /1/	
01/27/1993	625	RLTY REDUCTION APPV	UTU66837A; /1/	
12/01/1993	621	RLTY RED-STRIPPER WELL	8.5%; /2/	
02/01/1995	621	RLTY RED-STRIPPER WELL	9.3%; /3/	
03/21/1995	625	RLTY REDUCTION APPV	UTU66837A; /2/	
04/17/1995	140	ASGN FILED		
04/20/1995	139	ASGN APPROVED	EFF 05/01/95;	
08/03/1995	625	RLTY REDUCTION APPV	UTU66837A; /3/	
03/01/1997	621	RLTY RED-STRIPPER WELL	8.5%; /4/	
07/29/1997	625	RLTY REDUCTION APPV	UTU66837A; /4/	
04/01/1998	621	RLTY RED-STRIPPER WELL	7.7%; /5/	
03/31/1999	625	RLTY REDUCTION APPV	UTU66837A; /5/	

**NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM**

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

RunDate/Time: 02/18/03 10:37 AM

Page 2 of 2

Line Nr Remarks Serial Number: UTSL-- 0 066357

0001 LANDS REMAINING W/IN WALKER HOLLOW UNIT
0002 T 7 S R 23 E SECS 11 & 12 ALL; T 7 S R 24 E
0003 SEC 7 ALL, SEC 8 N2 EXPANSION APPROVED 9/1/81
0004 ADDED T 7 S R 23 E SEC 3 SW
0005 WALKER HOLLOW (GREEN RIVER) SECONDARY RECOVERY
0006 UNIT



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

February 20, 2003

Citation Oil & Gas Corporation
P O Box 690688
Houston, TX 77269

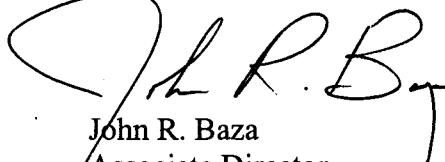
Re: Walker Hollow Unit 82 Well, 1821' FSL, 817' FWL, NW SW, Sec. 11, T. 7 South ,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34759.

Sincerely,



John R. Baza
Associate Director

pb

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Citation Oil & Gas Corporation
Well Name & Number Walker Hollow Unit 82
API Number: 43-047-34759
Lease: UTSL 066357

Location: NW SW **Sec.** 11 **T.** 7 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

008

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.

UHSL-066357

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

Walker Hollow Unit

8. Lease Name and Well No.

Walker Hollow Unit #82

9. API Well No.

10. Field and Pool, or Exploratory

Walker Hollow Green River

11. Sec., T., R., M., or Blk. and Survey or Area

Section 11, T7N, R23E

12. County or Parish

Uintah

13. State

UT1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Citation Oil & GasCorp.3a. Address P O Box 690688Houston, Texas 77269

3b. Phone No. (include area code)

281-517-7309

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 817' FWL & 1821' FSLAt proposed prod. zone 817' FWL & 1821' FSL

14. Distance in miles and direction from nearest town or post office*

30.2 miles from Vernal, UT15. Distance from proposed*
location to nearest
property or lease line, ft.(Also to nearest drig. unit line, if any) 1821'

16. No. of Acres in lease

3,227.20

17. Spacing Unit dedicated to this well

40 acres18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.±1290'

19. Proposed Depth

±5320'

20. BLM/BIA Bond No. on file

57-91-01 M+0630

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5259' GL

22. Approximate date work will start*

2003

23. Estimated duration

14 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.

25. Signature

Sharon Ward

Name (Printed/Typed)

Sharon Ward

Date

10-14-02

Title

Regulatory Administrator

Approved by (Signature)

Name (Printed/Typed)

Date

03/04/2003

Title

Assistant Field Manager
Mineral Resources

Office

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct
operations thereon.

Conditions of approval, if any, are attached.

NOTICE OF APPROVALTitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

MAR 11 2003

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Citation Oil & Gas Corporation
Well Name & Number: Walker Hollow Unit #82
API Number: 43-047-34759
Lease Number: UTSL – 066357
Location: NWSW Sec. 11 TWN: 07S RNG: 23E
Agreement: WALKER HOLLOW UNIT

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|--|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production | - | within five (5) business days after new well begins, or Notice production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office prior to setting the next casing or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at $\pm 2,829$ ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations. Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COA)
Citation Oil & Gas Corporation - Well No. Walker Hollow #82

Construction: No surface soils will be used for construction of the location.

At those locations where the access roads cross ephemeral drainages the operator shall install culverts that are 18 to 24" in diameter. This is not where they have indicated a 42 inch culvert near the well location.

Along the access road where water is diverted install energy dissipating devices/structures that would reduce the velocity and energy of the water.

To stabilize the road base the operator shall apply gravel to reduce rutting and subsequent erosion. If at the time of well abandonment the authorized officer determines that reclamation would be improved by removal of this gravel, the operator may be required to do so.

When constructing the well pad the operator shall slightly slope the pad so that water will naturally drain to one corner of the pad. At this site the operator shall also install rip-rap material to reduce water velocity and energy where the pad is drained.

Methods of Handling Waste Disposal: A 12 mill reserve pit liner will be used in the reserve pit it will first be bedded with sufficient bedding to cover any rocks to prevent breakage of the liner. If straw is used the straw will be certified as weed free and have the appropriate weed free labels.

Proposed Well Facilities: All permanent facilities will be painted a none reflective earth tone Carlsbad Canyon (2.5 YR 6/2) within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act will be excluded.

Plans For Reclamation Of Location: All seeding for reclamation operations at this location shall use the following seed mixture:

Mat saltbush	Atriplex corrugata	4 lbs/acre
Gardners saltbush	Atriplex gardneri	4 lbs/acre
galleta grass	Hilaria jamesii	4 lbs/acre

If the seed mixture is to be aerially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction the stockpiled topsoil will be seeded and the seed worked into the soil by "walking" the pile with caterpillar tracks.

Other Information: The operator shall prevent or manage invasive plant species by physically or chemically removing invasive exotic vegetation. If herbicide use is required the operator shall contact the authorized office for a pesticide use permit.

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: CITATION OIL & GAS CORPWell Name: WALKER HOLLOW U 82Api No: 43-047-34759 Lease Type: FEDERALSection 11 Township 07S Range 23E County UINTAHDrilling Contractor BILL JR RIG# RATHOLE**SPUDDED:**Date 03/26/03Time 7:30 AMHow DRY**Drilling will commence:** _____Reported by JOHN LONGTelephone # 1-307-689-3406Date 03/26/2003 Signed: CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Citation Oil & Gas Corp. Operator Account Number: N 0265
 Address: P.O. Box 690688
city Houston
state Texas zip 77269-0688 Phone Number: (281) 517-7194

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-34757	Walker Hollow Unit #80	SESE	03	7N	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
B	99999	2760	03/25/2003		4/30/03	
Comments: New well being drilled in Walker Hollow Unit - Lease No. UTSL-066312						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-34759	Walker Hollow Unit #82	NWSW	11	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
B	99999	2760	03/26/2003		4/30/03	
Comments: New well being drilled in Walker Hollow Unit - Lease No. UTSL-066357						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Debra Harris (281) 517-7194
 Name (Please Print)
Debra Harris
 Signature
Prod/Reg Coordinator 4/9/2003
 Title Date

RECEIVED

APR 14 2003

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL066357											
2. NAME OF OPERATOR: Citation Oil & Gas Corp.						6. IF INDIAN, ALLOTTEE OR TRIBE NAME 											
3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY Houston STATE TX ZIP 77269				PHONE NUMBER: (281) 517-7194		7. UNIT or CA AGREEMENT NAME UTU66837A; Walker Hollow Unit											
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1821' FSL & 817' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: Same AT TOTAL DEPTH: Same						8. WELL NAME and NUMBER: Walker Hollow Unit 82											
14. DATE SPUDDED: 3/26/2003						15. DATE T.D. REACHED: 4/16/2003		16. DATE COMPLETED: 5/22/2003		17. ELEVATIONS (DF, RKB, RT, GL): 5252' GL; 5266' RKB							
18. TOTAL DEPTH: MD 5,323 TVD 5,323			19. PLUG BACK T.D.: MD 5,320 TVD 5,320			20. IF MULTIPLE COMPLETIONS, HOW MANY? *			21. DEPTH BRIDGE MD PLUG SET: TVD								
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CNL/Triple Lithodensity/GR; Array Induction; CBL								23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)									
24. CASING AND LINER RECORD (Report all strings set in well)																	
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED								
12-1/4"	8-5/8 J55	24#	0	404		"A" 225		Surface	None								
7-7/8"	5-1/2 J55	15.5#	0	5,323		G / Lite 580		Surface	None								
25. TUBING RECORD																	
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)									
2-7/8"	5,291	---															
26. PRODUCING INTERVALS						27. PERFORATION RECORD											
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS									
(A) Green River	5,269	5,318	5,269	5,318	5,269 5,283	4		Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>								
(B)					5,300 5,318	4		Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>								
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>								
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>								
28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.																	
DEPTH INTERVAL		AMOUNT AND TYPE OF MATERIAL															
5300' - 5318'		36 bbls 7.5% HCl & 75 BS															
5268' - 5283'		35 bbls 15% NEFe & 75 BS															
		Frac'd with 30,426# 20/40 sand in 531 bbls X-L gelled water															
29. ENCLOSED ATTACHMENTS: <input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION									<input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS			<input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____			30. WELL STATUS: <div align="center" style="font-size: 1.2em;">Producing</div>		

JUN 17 2003

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 5/24/2003	TEST DATE: 6/3/2003	HOURS TESTED: 24	TEST PRODUCTION RATES: <input type="checkbox"/>	OIL – BBL: 30	GAS – MCF: 31	WATER – BBL: 338	PROD. METHOD: Pumping
CHOKE SIZE: N/A	TBG. PRESS. 230	CSG. PRESS. —	API GRAVITY 26.50	BTU – GAS —	GAS/OIL RATIO 1,333	24 HR PRODUCTION RATES: <input type="checkbox"/>	INTERVAL STATUS: Producing

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: <input type="checkbox"/>	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: <input type="checkbox"/>	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: <input type="checkbox"/>	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	2,764	5,323	Oil / Water	Green River	2,764
Total Depth		5,323			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Debra HarrisTITLE Production/Regulatory CoordinatorSIGNATURE Debra HarrisDATE 6/12/2003

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

012

WELL SEARCH

WELL DATA

WELL HISTORY

WELL ACTIVITY

LOOK UP: OPERATOR NAME / ACCOUNT

LOOK UP: FIELD NAME / NUMBER

SEARCH KEYS (Enter desired keys and press 'Enter' or click on 'Search')

API NUMBER

WELL NAME

OPERATOR ACCOUNT

WELL STATUS/TYPE

FIELD NUMBER

ENTITY NUMBER 2760

SECTION/TOWNSHIP/RANGE/MERIDIAN

4304730030 : WALKER HOLLOW U MCLISH 4

4/11



SEARCH

CLEAR KEYS

PRINT ALL

EXPORT

GET ALL WELLS

API	WELL NAME	ACCOUNT	ALT-ADD	STATUS	WELL TYPE	FIELD	QTR/QTR	SEC	TWP	RNG	MERIDIAN	COUNTY
4304730030	WALKER HOLLOW U MCLISH	N2115	#	TA	OW	700 NESW	08	070S	230E	S	UINTAH	
4304730037	PAN AMERICAN FED 1	N0590	#	PA	OW	700 SWNW	09	070S	230E	S	UINTAH	
4304730038	PAN AMERICAN FED 2	N2115	#	PA	OW	700 NWSW	09	070S	230E	S	UINTAH	
4304731034	WALKER HOLLOW UNIT 6	N2115	#	S	OW	700 SESE	08	070S	230E	S	UINTAH	
4304731092	WALKER HOLLOW UNIT J-8	N2115	#	TA	GW	700 NWSE	08	070S	230E	S	UINTAH	
4304734757	WALKER HOLLOW U 80	N0265	#	P	OW	700 SESE	03	070S	230E	S	UINTAH	
4304734758	WALKER HOLLOW U 81	N0265	#	P	OW	700 SENW	11	070S	230E	S	UINTAH	
4304734759	WALKER HOLLOW U 82	N0265	#	P	OW	700 NWSW	11	070S	230E	S	UINTAH	

Wrong entries

Wrong entity

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

013

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CITATION OIL & GAS CORP.

3a. Address

P.O. Box 690688, Houston, Texas 77269-0688

3b. Phone No. (include area code)

(281) 517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1821' FSL & L 817' FWL NW SW

S-11 T09S R23E

5. Lease Serial No.

SLC 0066357

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Walker Hollow Unit

8. Well Name and No.

Walker Hollow Unit #82

9. API Well No.

43-047-34759

10. Field and Pool, or Exploratory Area

Walker Hollow Green River

11. County or Parish, State

Uintah County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☒ Recomplete☐ Other☐ Final Abandonment Notice☐ Convert to Injection☐ Plug and Abandon☐ Temporarily Abandon☐ Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Citation requests permission to recompleat the Walker Hollow Unit 82 well per the attached procedure.

COPY SENT TO OPERATOR

Date: 12-17-03
Initials: CHD

RECEIVED

DEC 12 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sharon Ward

Signature

Sharon Ward

Title

Regulatory Administrator

Date

December 8, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Accepted by the
Utah Division of
Oil, Gas and Mining

Date

Office

Federal Approval Of This
Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Walker Hollow Unit #82
DU6d & Du5b Recompletion Procedure
10/22/03

Relative Data:

Casing: 5-1/2", 15.5 lb/ft, J-55

ID 4.950"

Drift 4.825"

Capacity 0.0238 bbl/ft

Burst 4810 psi; 80% 3848 psi

Tubing: 2-7/8", 6.5 lb/ft, J-55, 8rd, EUE

Capacity 0.00579 bbl/ft

Burst 7260 psi; 80% 5808 psi

Collapse 7680 psi; 80% 6144 psi

Yield 99,660 lbs; 80% 79,728 lbs

5 1/2" x 2 7/8" Annular capacity 0.0158 bbl/ft

KB = 14 ft (AGL)

1. Spot 1 – 400 BBL wtr tank & BOP onto location. Load 400 BBL tank W/2% KCl wtr.
2. MIRU rig. POOH W/rods, pump, & tbg. LD 1" rods as necessary to account for reduction in pump depth. RIH W/4 3/4" bit & scraper to PBTD. POOH W/tbg & tools. LD tbg as necessary to account for reduction in pump depth. PU & RIH W/SN & RBP for 5 1/2" 15.5# csg & set @ +/-5000'. PUH 1 jt & circ to surf W/108 BBLs 2% KCl wtr. Load & test annulus & RBP to 1500 psi. Swab well dn to +/-1500' from surf. POOH W/tbg & tools.
3. MIRU Schlumberger. RIH W/Schlumberger's 4" HEG csg gun & perforate the Greenriver Du6d zone F/4900 – 06 @ 4 JSPF (6' net - 25 holes) & 90 degree phasing. Utilize the Schlumberger Compensated Neutron – Triple Lithodensity Log dated 4/17/03 to correlate depths. RD wireline.
4. RIH W/treating PKR & SN & set @ +/-4800'. Drop SV. Load & test tbg to 4000 psi. Fish SV. Load & test annulus W/2% KCl wtr to 1500 psi. Swab test the Du6d zone.
5. Acidize the Du6d perms using 600 gals of 7 1/2% HCl & 35 - 1.3 SpGr BS evenly spaced throughout job for diversion. Treat @ 4 – 6 BPM, but do not exceed 1300 psi surf press. Flush acid to top perf W/31 BBLs 2% KCl wtr. Record ISIP, 5 min, 10 min, & 15 min SITPs. Swab back load & for inflow performance estimates. If possible, load tbg W/2% KCL wtr then Rlse & POOH W/PKR.
6. PU & RIH W/production equipment. Place well into test.
7. Spot reverse unit, open top circ tank, & 3 – 400 BBL wtr tanks onto location. Load all 3 – 400 BBL tanks with bacteria treated fresh water & refill the 1 – 400 BBL tank W/2% KCl wtr in it.
8. MIRU rig. POOH W/rods, pump, & tbg. PU & RIH W/SN & PKR & set @ +/-4800'. Load & test annulus W/2% KCl wtr to 1500 psi.
9. RU frac company & ProTechnics (Radio Active Tracer) & frac the Du6d perms according to vendor recommendation & procedure.
10. Flow back well until dead. Bleed pressure off backside. Rlse PKR & RIH to rev circ sd and acidizing balls off top of RBP. Leave approximately 20' of sd on top of RBP. POOH W/tbg & PKR. PU & RIH W/production equipment. Place well into test until further notice.

11. MIRU rig. POOH W/rods, pump, & tbg. LD 1" rods as necessary to account for reduction in pump depth. PU & RIH W/SN & RBP retrieving head. Latch onto and PUH W/RBP & reset @ +/-4800'. LD tbg as necessary to account for reduction in pump depth. PUH 1 jt & circ to surf W/104 BBLs 2% KCl wtr. Load & test annulus & RBP to 1500 psi. Swab well dn to +/-1500' from surf. POOH W/tbg & tools.
12. MIRU Schlumberger. RIH W/Schlumberger's 4" HEG csg gun & perforate the Greenriver Du5b zone F/4682 - 91 @ 4 JSPF (9' net - 37 holes) & 90 degree phasing. Utilize the Schlumberger Compensated Neutron - Triple Lithodensity Log dated 4/17/03 to correlate depths. RD wireline.
13. RIH W/treating PKR & SN & set @ +/-4600'. Load & test annulus W/2% KCl wtr to 1500 psi. Swab test the Du5b zone.
14. Acidize the Du5b perms using 900 gals of 7 1/2% HCl & 50 - 1.3 SpGr BS evenly spaced throughout job for diversion. Treat @ 4 - 6 BPM, but do not exceed 1200 psi surf press. Flush acid to top perf W/30 BBLs 2% KCl wtr. Record ISIP, 5 min, 10 min, & 15 min SITPs. Swab back load & for inflow performance estimates. If possible, load tbg W/2% KCL wtr then Rlse & POOH W/PKR.
15. PU & RIH W/production equipment. Place well into test.
16. Spot reverse unit, open top circ tank, & 3 - 400 BBL wtr tanks onto location. reload all 3 - 400 BBL tanks with bacteria treated fresh water & refill the 1 - 400 BBL tank W/2% KCl wtr in it.
17. MIRU rig. POOH W/rods, pump, & tbg. PU & RIH W/SN & PKR & set @ +/-4600'. Load & test annulus W/2% KCl wtr to 1500 psi.
18. RU frac company & ProTechnics (Radio Active Tracer) & frac the Du5b perms according to vendor recommendation & procedure.
19. Flow back well until dead. Bleed pressure off backside. Rlse PKR & RIH to rev circ sd and acidizing balls off top of RBP. Leave approximately 20' of sd on top of RBP. POOH W/tbg & PKR.
20. PU & RIH W/production equipment. Place well into test until further notice.
21. MIRU rig. POOH W/rods, pump, & tbg. PU & RIH W/SN & RBP retrieving head. Latch onto and POOH W/RBP.
22. MIRU Schlumberger. Run GR log F/5200 - 4300'. RD WL.
23. PU & RIH W/CIBP & PKR & set CIBP @ +/-5150'. PUH 1 jt & set PKR. Test CIBP to 1500 psi. POOH W/tbg & tools
24. RIH W/production equipment as specified by Gillette engineering. Commingle Greenriver zones Du6d & Du5b. Place well into test until further notice.

Citation Oil & Gas Corporation - Walker Hollow Unit #82

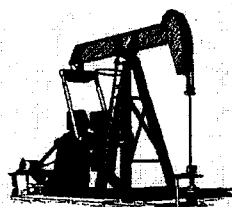
Wellbore Diagram - Present Status

Date: 10-21-03

Ground Elevation = 5252'

RKB = 5266'

KB = 14'



L-M-456D-305-144

Surface Location

1821' FSL & 817' FWL, NW SW,
Section 11, T-7-S, R-23-E,
Uintah County, UT

7 1/16" X 5000# Wellhead

Hole Size
= 12 1/4"

8 5/8" 24# J-55 Csg @ 404' cmt'd W/225 sx

TOC @ 2250'
(CBL - 5/03)

Hole Size
= 7 7/8"

TUBING DETAIL

Qty	Description	Length	Depth
---	KB (used)	14.00	14.00
164	2 7/8", 6.5#, J-55, 8rd EUE tbg	5162.83	5,176.83
1	5 1/2" X 2 7/8" Baker TAC	4.10	5,180.93
2	2 7/8", 6.5#, J-55, 8rd EUE tbg	64.97	5,245.90
1	2 7/8" SN	1.10	5,247.00
1	4' X 2 7/8" Perforated sub	4.00	5,251.00
1	Orange peeled jt 2 7/8"	30.43	5,281.43
1	10' X 2 7/8" tbg sub	10.00	5,291.43

ROD & PUMP DETAIL

Qty	Description	Length	Depth
1	1 1/2" X 30' Polished Rod	30.00	30.00
110	1" API grade "D" rods	2,750.00	2,780.00
31	7/8" API grade "D" rods	775.00	3,555.00
57	3/4" API grade "D" rods	1,425.00	4,980.00
10	1" API grade "D" rods	250.00	5,230.00

Green River Perfs (Du8c): 5203 - 17 & 29 - 35 (4 JSPF) (5/03)

Green River Perfs (Du8d): 5269 - 74 & 77 - 83 (4 JSPF) (5/03)

Green River Perfs (DL1a): 5300 - 08 & 12 - 18 (4 JSPF) (5/03)

Tag fill in
well @ 5311'
(10') (10/03).

5 1/2" 15.5# J-55 Csg @ 5323' cmt'd W/580 sx

PBTD = 5321'

TD = 5323'

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to re-enter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well:

OIL
☒GAS
☐OTHER: ☐

2. Name of Operator

Citation Oil & Gas Corp.

3. Address and Telephone Number:

P.O. Box 690688, Houston, Texas 77269-0688 (281) 517-7194

4. Location of Well

Footages: 1821' FSL & 817' FWL

QQ, Sec., T., R., M.: NW SW; Sec. 11, T7S, R23E

5. Lease Designation and Serial Number:

SLC0066357

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

UTU66837A Walker Hollow

8. Well Name and Number:

Walker Hollow Unit 82

9. API Well Number:

43-047-34759

10. Field and Pool, or Wildcat:

Walker Hollow Green River

County: Uintah

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT

(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

- | | |
|--|--|
| <input type="checkbox"/> Abandonment* | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input checked="" type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion 2/25/2004Report results of Multiple Completions and Recompletions to different reservoirs on WELL
COMPLETION OR RECOMPLETION AND LOG form

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MIRU. TOH with tubing, pump and rods. TIH with bit and scraper - tagged fill @5307'. RIH and set RBP @5000'. Circ'd hole with 108 bbls 2% KCl and perf'd 4900' - 4906' with 4 spf. Broke down perfs with 2% KCl. Attempted to swab, but could not get below 1250' due to wax. RU hot oiler and put 60 bbls hot water down tubing - wax @1400'. Ran wax knife on sandline - hard wax @3500'. Pumped hot water while running wax knife, then swabbed - TP 20 psi; CP 300 psi. MIRU Halliburton and started 600 gals 7.5% HCl acid. Pumped 2 bbls acid and started 1.3 sp gr ball sealers - ISIP 1256 psi. TIH with production assembly, new pump and rods. Returned well to production 2/25/2004. RDMO.

RECEIVED

APR 02 2004

DIV. OF OIL, GAS & MINING

13.

Name & Signature: Debra Harris

Debra Harris

Title:

Prod./Regulatory Coord.

Date:

3/23/2004

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
SLC0066357

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Walker Hollow Unit

8. WELL NAME and NUMBER:
Walker Hollow Unit #82

9. API NUMBER:
4304734759

10. FIELD AND POOL, OR WILDCAT:
Walker Hollow Green River

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR:
P O Box 690688 CITY Houston STATE TX ZIP 77269

PHONE NUMBER:
(281) 517-7309

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1821' FSL & 817' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 7S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Citation request permission to open additional pay in the 4d and 4c1 intervals and returning the D6d, D8c, D8d and DL1a to production in the Walker Hollow Unit # 82 well with the attached procedure.

COPIES SENT TO OPERATOR
Date: 2-19-06
By: [Signature]

NAME (PLEASE PRINT) Sharon Ward

TITLE Permitting Manager

SIGNATURE

[Signature: Sharon Ward]

DATE 5/9/2006

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 5/3/06

By: [Signature]

(See Instructions on Reverse Side)

RECEIVED

MAY 12 2006

DIV. OF OIL, GAS & MINING

Work Over Procedure:

Objective: Perforate, acidize, frac and pump test the 4a, 4c and 4c1 intervals.

Comments: 1. Well will likely need to be hot watered to release rods.

1. MIRUSU.
2. Unseat pump and POOH with rods and pump.
3. ND Tree. NU 3M BOP's. Release TAC at 4609' and RIH to tag for fill.(PBSD 4880')
4. POOH with 2 7/8" tubing standing back.
5. RIH w/bit and mill up cement and CIBP at 4,880'. Circulate hole clean.
6. Clean out hole to 5,320'. If the fill gets too hard at 5,307' we may decide to stop at this point.
7. POOH with bit and stand back 2 7/8" tubing.
8. RIH w/RBP and set at 4600' dump 5' sand on top. Pressure test annulus to 500 psi for 10 minutes.
9. RU WL and RIH and perforate 4dL as below: (4JSPF)
4504' – 4514'
10. RIH and perforate the 4c1 as below: (4 JSPF)
4432' – 4448'
11. POOH and RD WL.
12. Swab test interval and report to Chad Stallard (713)249-4671. (1 day)
13. RIH and wash sand from RBP at 4,600'. Latch and POOH w/RBP.
14. TIH with 2 7/8" tbg set TAC @ 4375'
15. ND BOP's. NU tree. MIRU pumping equipment.
16. TIH w/ rods and pump and hang well on. RDMOSU.
17. Return well to production and place on test.

Citation Oil & Gas Corporation - Walker Hollow Unit #82

Wellbore Diagram - Present Status

Update: 3-24-05 BC

Ground Elevation = 5252'

RKB = 5266'

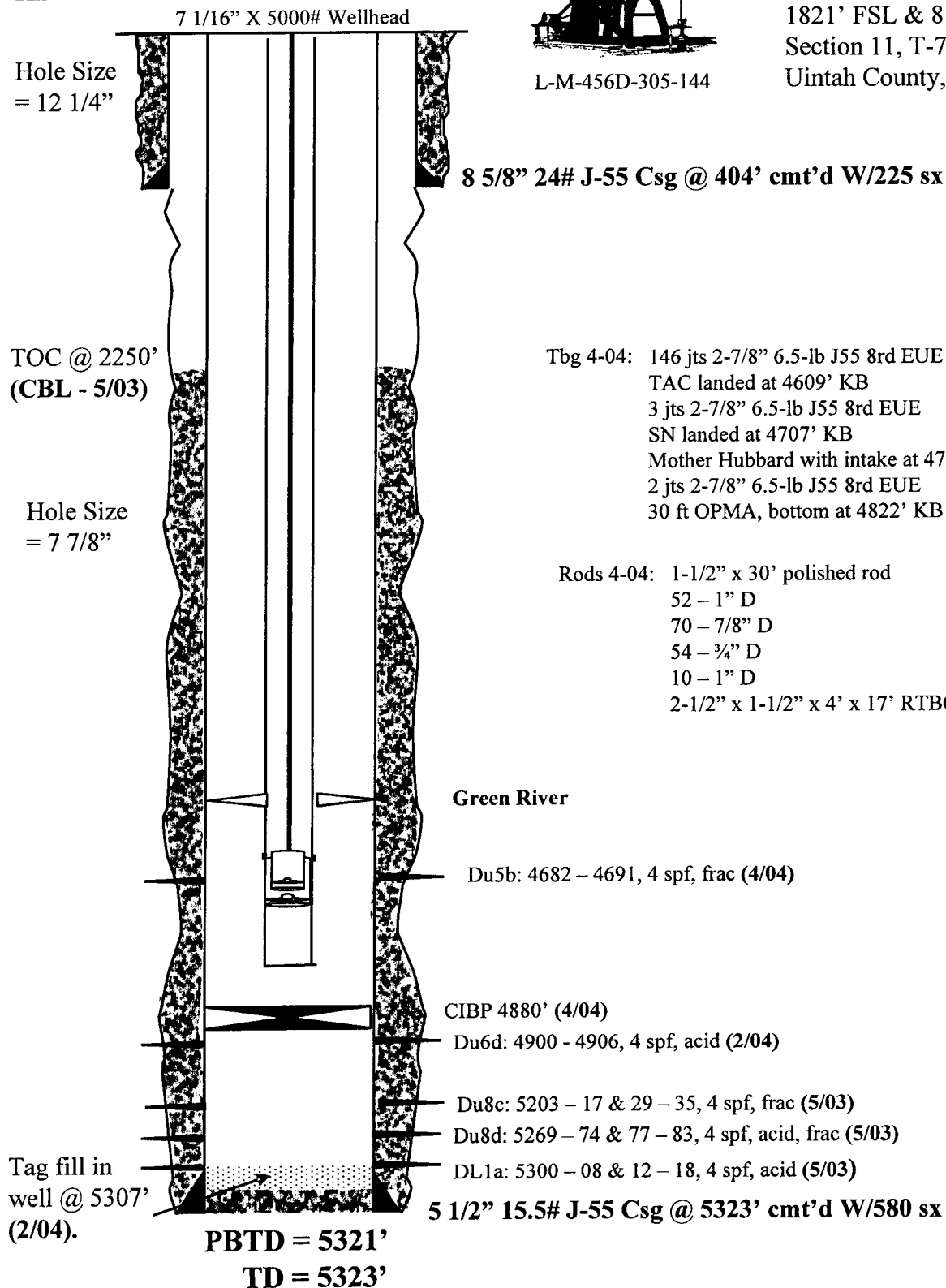
KB = 14'



L-M-456D-305-144

Surface Location

1821' FSL & 817' FWL, NW SW,
Section 11, T-7-S, R-23-E,
Uintah County, UT



Citation Oil & Gas Corporation - Walker Hollow Unit #82

Wellbore Diagram - Proposed

Update: 3-24-05 BC

Ground Elevation = 5252'

RKB = 5266'

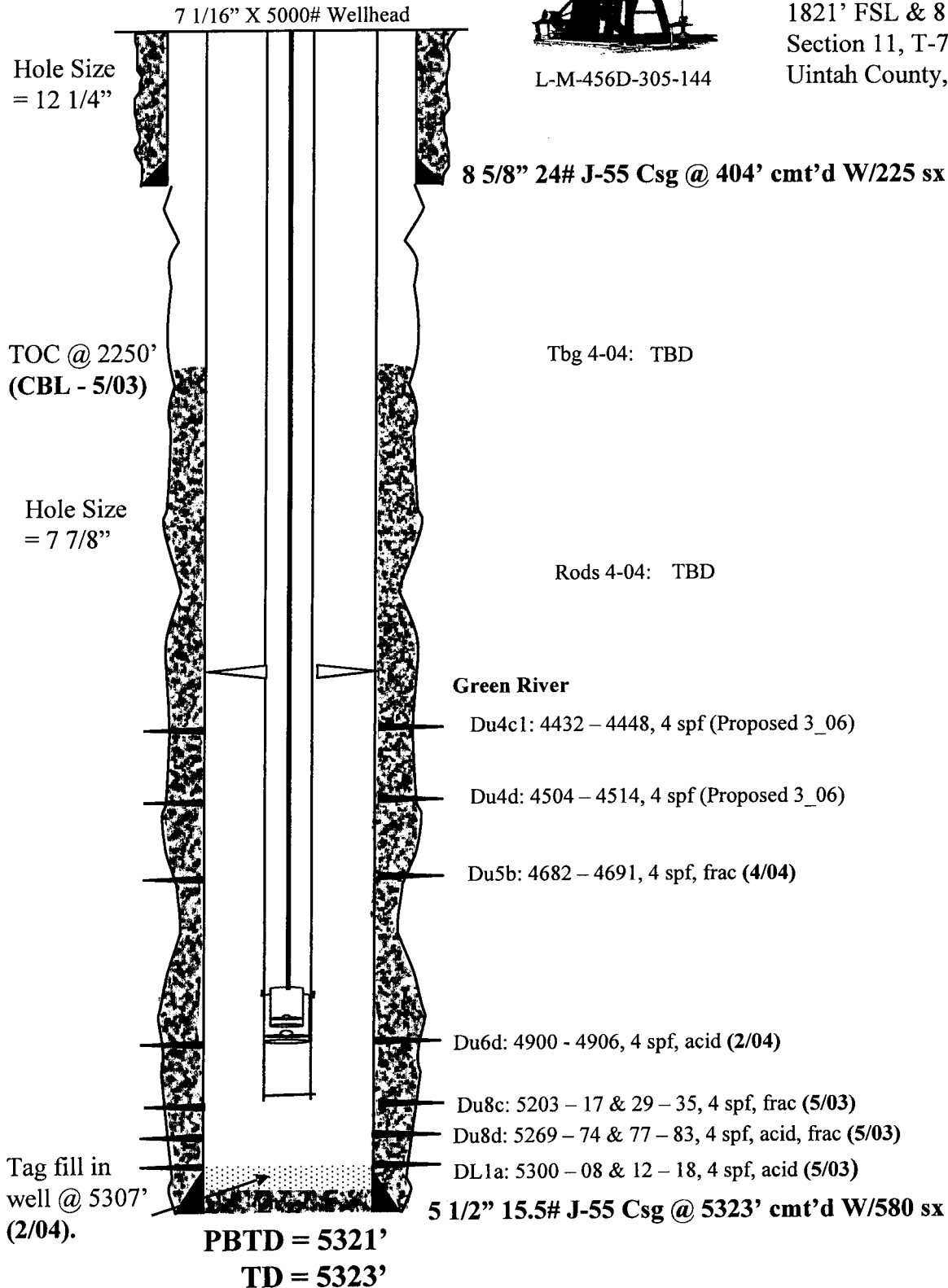
KB = 14'



L-M-456D-305-144

Surface Location

1821' FSL & 817' FWL, NW SW,
Section 11, T-7-S, R-23-E,
Uintah County, UT



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
SLC0066357

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Walker Hollow Unit

8. WELL NAME and NUMBER:
Walker Hollow Unit #82

9. API NUMBER:
4304734759

10. FIELD AND POOL, OR WILDCAT:
Walker Hollow Green River

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR:
P O Box 690688 CITY Houston STATE TX ZIP 77269

PHONE NUMBER:
(281) 517-7309

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1821' FSL & 817' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 7S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Revision to procedure	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Citation request permission to open additional pay in the 4d and 4c1 intervals and returning the DU6d, D8c, D8d and DL1a to production in the Walker Hollow Unit # 82 well with the attached procedure.

NAME (PLEASE PRINT) Sharon Ward

TITLE Permitting Manager

SIGNATURE

Sharon Ward

DATE 5/19/2006

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

(5/2000)

Date: 5/30/06
By: *[Signature]*

(See Instructions on Reverse Side)

RECEIVED
MAY 22 2006

DIV. OF OIL, GAS & MINING

Work Over Procedure:

Objective: Perforate, acidize, frac and pump test the 4a, 4c and 4c1 intervals.

Comments: 1. Well will likely need to be hot watered to release rods.

1. MIRUSU.
2. Unseat pump and POOH with rods and pump.
3. ND Tree. NU 3M BOP's. Release TAC at 4609' and POOH standing back.
4. RIH w/bit and mill up cement and CIBP at 4,880'. Circulate hole clean.
5. Clean out hole to 5,320'. (If the fill gets too hard at 5,307' we may decide to stop at this point.)
6. POOH with bit and stand back 2 7/8" tubing.
7. PU RBP and PKR and RIH and set RBP at 4,950' dump sand on top. PUH and set PKR at 4,850'.
8. Establish inj rate and pressure and cmt squeeze the DU6d (4,900 – 4,906') interval per attached design. Release packer. Reverse circulate out excess cement. **(Monitor back side pressure during job.) RU Reverse unit and pump down back side during cement job ¼ - ½ bpm.**
9. Release packer and POOH. PU bit and RIH and tag cement. Drill cement down to 4,950'. POOH.
10. RIH w/packer and set at 4,850'. Test squeeze perfs to 1,000#. Report results to Chad Stallard 713-249-4671. If squeeze perfs test, then continue to step 11, else prepare for re-squeeze of DU6d interval.
11. PUH w/RBP and set at 4600' dump 5' sand on top. Pressure test annulus to 500 psi for 10 minutes.
12. RU WL and RIH and perforate 4dL as below: (4JSPF)
4504' – 4514'
13. RIH and perforate the 4c1 as below: (4 JSPF)
4432' – 4448'
14. POOH and RD WL.

15. RIH and wash sand from RBP at 4,600'.
16. RU Pump company and acidize 4c1 and 4dl perfs per attached design.
17. Swab test 4c1 and 4dL report results to Chad Stallard.
18. Latch and POOH w/RBP.
19. TIH with 2 7/8" tbg set TAC @ 4375'
20. ND BOP's. NU tree. MIRU pumping equipment.
21. TIH w/ rods and pump and hang well on. RDMOSU.
22. Return well to production and place on test.

List of Citation Contacts

Foreman	Robert Eye	Cell: 435.790.4406 Home: 435.781.4147
Lease Operator	Shane White	Cell: 435.621.1441 Home: 435.789.4422
Engineer	Chad Stallard	Cell: 713.249.4671 Office: 281-517-7527

Citation Oil & Gas Corporation - Walker Hollow Unit #82

Wellbore Diagram - Present Status

Update: 3-24-05 BC

Ground Elevation = 5252'

RKB = 5266'

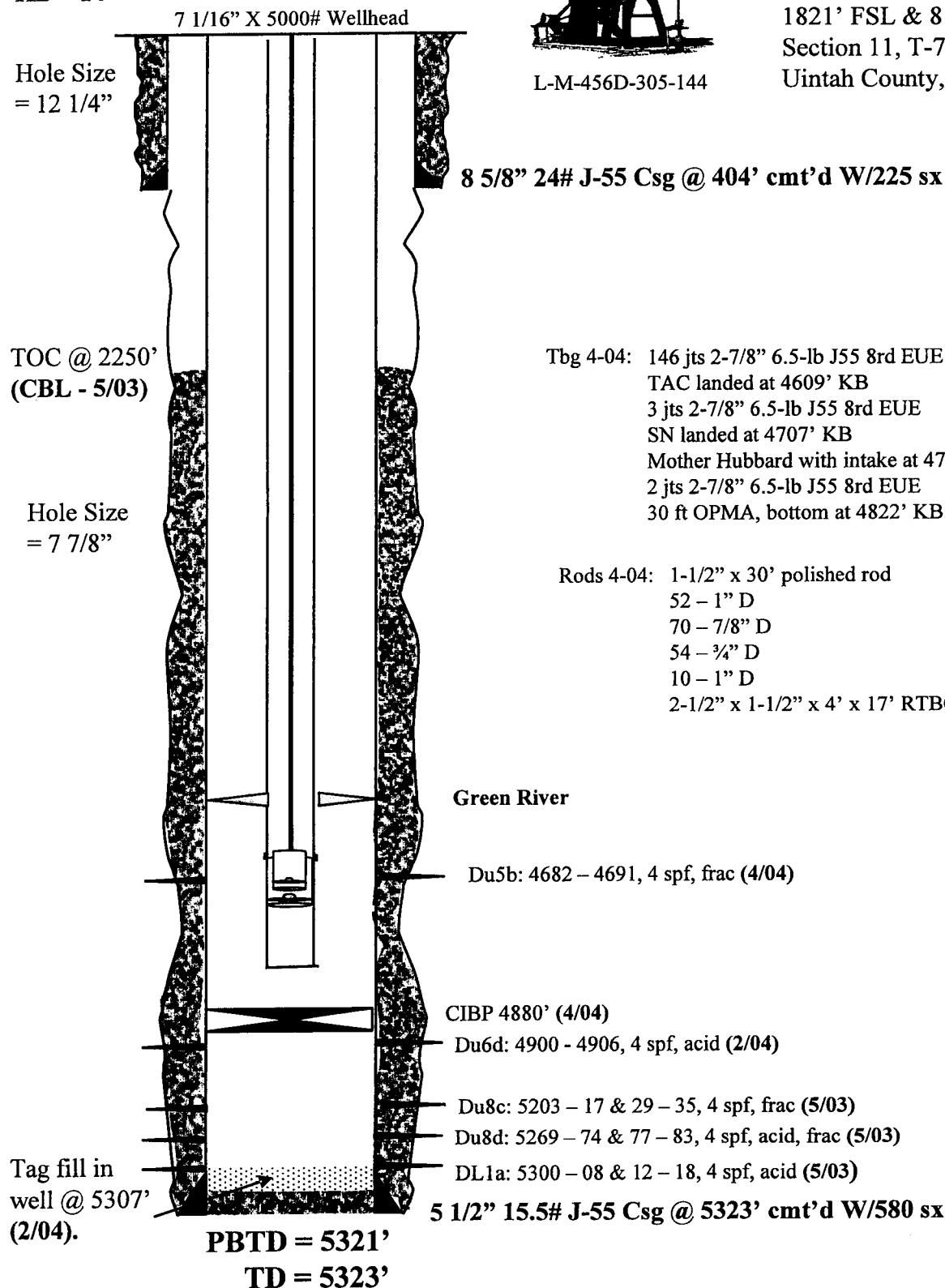
KB = 14'



L-M-456D-305-144

Surface Location

1821' FSL & 817' FWL, NW SW,
Section 11, T-7-S, R-23-E,
Uintah County, UT



Tbg 4-04: 146 jts 2-7/8" 6.5-lb J55 8rd EUE
TAC landed at 4609' KB
3 jts 2-7/8" 6.5-lb J55 8rd EUE
SN landed at 4707' KB
Mother Hubbard with intake at 4709' KB
2 jts 2-7/8" 6.5-lb J55 8rd EUE
30 ft OPMA, bottom at 4822' KB

Rods 4-04: 1-1/2" x 30' polished rod
52 - 1" D
70 - 7/8" D
54 - 3/4" D
10 - 1" D
2-1/2" x 1-1/2" x 4' x 17' RTBC McGyver

Citation Oil & Gas Corporation - Walker Hollow Unit #82

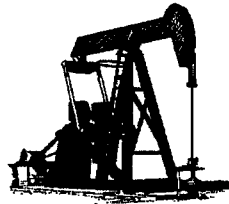
Wellbore Diagram - Proposed

Update: 3-24-05 BC

Ground Elevation = 5252'

RKB = 5266'

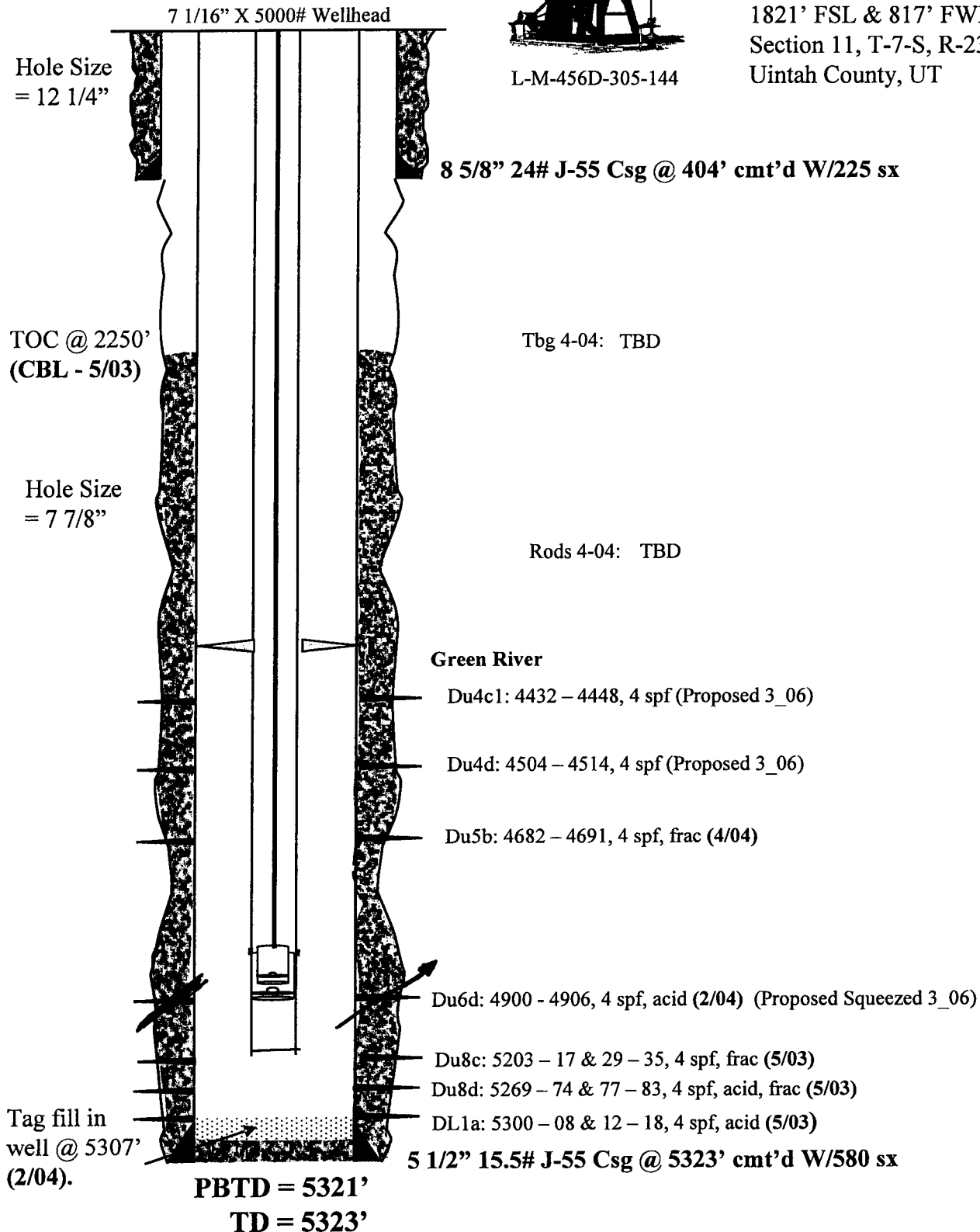
KB = 14'



L-M-456D-305-144

Surface Location

1821' FSL & 817' FWL, NW SW,
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SLC0066357
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		7. UNIT or CA AGREEMENT NAME: Walker Hollow Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1821' FSL & 817' FWL		8. WELL NAME and NUMBER: Walker Hollow Unit #82
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 11 7S 23E		9. API NUMBER: 4304734759
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/21/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

On December 5, 2006 Citation MI RU SU, unseat pump and flushed rods w/ 60 bbls hot H2O. ND WH. Released TAC & NU BOP. TIH & tagged fish @ 4764'. TOOH & LD fish. PU bit & TIH to CIBP. RU power swivel. Tagged @ 4879' & drilled on CIBP to 5320'. Circulated hole clean and TOOH w/tbg, collars and bit. Set plug @ 4953' & pkr @ 4853'. Established inj rate @ 2bpm @ 1450. Dropped 2 sxs sand. Squeezed Du6d, perf w/50 sxs premium G w/fluid loss. Sqz'd to 2000 psi. Held OK. Released pkr & PUH to 4701', reversed tbg clean. Set pkr & pressured up to 400 psi. Released pkr & TOOH. TIH w/bit & collars, tagged cmt @ 4820.51'. Drilled cmt from 4820-4906'. TOOH w/BHA, LD collars, PU pkr & retrieving head. TIH & set pkr @ 4856'. Tested Du6d sqz to 1200 psi. Bled to 1000 psi in 5 min. Attempted to swab but unable to due to crimped pipe. LD pipe reset pkr. Swabbed well dn & waited 1 hr. Circulated sand off RBP, moved to 4609' & tested to 1000 psi. TOOH & LD pkr. MI RU WL. Perforated 4dL from 4504'-4514' 4cl from 4432'-4448'. Acidized perfs w/2000 gals 15% HCL w/Iron control, clay stabilizer @ 4 BPM - 1270 psi. Flushed w/23 bbls 2% KCL. TIH & circulated balls and sand from RBP, released RBP & TOOH. PU tbg, BHA & TIH. ND BOP. Set TAC. NU WH. PU pump & TIH w/rods, seat pump & tested to 1000 psi. Well pumping 12/21/06.

NAME (PLEASE PRINT) <u>Sharon Ward</u>	TITLE <u>Permitting Manager</u>
SIGNATURE <u>Sharon Ward</u>	DATE <u>1/3/2007</u>

(This space for State use only)

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JAN 08 2007
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